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## Abstract

## Corporate Social Responsibility and Financial Performance in Nepalese Finance Companies

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*This study assesses that the status of amount contributed to the society, Corporate Social Responsibility (CSR) as independent variable and its relationship to the financial performance proxied by net profit, share price, total assets and investment as different forms of dependent variables including employee count as a control variable in selected Nepalese finance companies over the period of 2018 to 2022. Following a deductive research approach with quantitative research design analysis, data from seven finance companies, out of seventeen finance companies were gathered and analyzed using different statistical tools through purposive sampling technique. Results postulate that a significant positive correlation between independent variable named CSR contribution of companies towards their society and dependent variable named financial performance of respective firms, particularly net profit and investment of respective finance companies. Regression results indicate that CSR and employee numbers used as control variable significantly influence on total assets and share prices, explaining up to 86.6% of the variance in the research model. CSR contributions from the selected Nepalese finance companies, increased from Rs. 3.64 million in 2018 to Rs. 5.20 million in 2022 with an annual average growth rate of 10%. Findings of this study indicate that the strengthening in CSR policies and strategic investments in social initiatives campaign can increase financial performance of along with public trust and long-term sustainability for respective firms, providing actionable direction for managers, policymakers and future researchers.*

## Keywords

CSR  
Financial  
Performance  
Finance Companies

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CORPORATE SOCIAL RESPONSIBILITY (CSR) has emerged as a fundamental aspect of modern business practices, highlighting the accountability of companies toward their respective society and the environment where business organizations are operated (Carroll, 1991). Globally, strategic CSR activities reflect that the idea that businesses are not solely profit-driven entities but also social institutions with obligations toward their stakeholders such as customer, supplier, employees and other parties in the society (Cecil, 2008). In Nepal, CSR has been gradually enlarged momentum, influenced by both global practices and local legal frameworks applied by different bodies of government and non-government institutions. The Industrial Enterprise Act of 2016 mandates that the industries with annual business transactions of exceeding NPR. 150 million must allocate at least 1% of their annual profit as CSR activities to the society where the business organizations are operated. This regulatory provision has strapped that many Nepalese business institutions, including finance companies, to formally participate CSR initiatives into their operations. Though, beyond this compliance of Act, CSR reproduces a bottomless philosophy of business sustainability, societal well-being and ethical responsibility that dates back centuries, with historical evidence of businesses contributive to social causes long before it developed an institutionalized practice throughout the world (Murray & Vogel, 1997).

Financial performance is a widely used as measure of how efficiently a business organization achieves its objectives over the competition. It also includes multiple dimensions including such as profitability, shareholder returns and product market outcomes (Fontaine, 2013). Connecting CSR contribution towards society and financial performance of the respective firms however, relics complex in this commercial world. Many scholars argue that while CSR makes reputational paybacks from the society, strengthens customer loyalty and improves their employee morale, its financial implications are not always instant (Crowther & Aras, 2009; Koh & Boo, 2001). Nonetheless CSR is grounded on the inter-related relationship between an organization and society where businesses create shared value through strategic allocation of available resources, stakeholder engagement and ethical practices in the society they operate (Gholami, 2011). A strong positive correlation between CSR and financial performance was supported by prior empirical evidence, as Yoo et al. (2019) demonstrated consuming the KEJI index as a multidimensional proxy for CSR based on national databases that firms with higher levels of CSR engagement with employee participation tend to attain superior organizational outcomes.

The development of finance sector plays an important role in economic development of overall Nepal, channeling the investments and mobilizing savings from public. Yet, despite its strategic importance, CSR practices within this finance sector endure underexplored and even lacking empirical research using secondary dataset. Most of the CSR related existing studies in Nepal (Adhikari, 2012; Chapagain, 2020 & Panthi, 2023), intend to focus on multinational corporations, commercial banks, development banks or broader conceptual debates, leaving a gap of understanding how CSR contributes to financial outcomes in selected finance companies of Nepal. This gap is predominantly appropriate given that Nepalese finance companies frequently encounter such as limited resources, regulatory constraints and a lack of established CSR strategies in the respective sectors, which may delay the effective application of socially responsible activities (Bhattacharya & Sen, 2004). At the same time, while reviewing the country's short history with modern corporations in Nepal, many of which only recently transitioned from family-based business enterprises and formalized companies, raises questions about the maturity and strategic orientation of CSR practices in the financial sector of Nepal (Adhikari, 2012).

Addressing this gap for this study, the present study pursues that assessing the status such as size, trend and growth CSR contribution to their society in respective selected Nepalese finance companies. This study also observes whether CSR contributions as independent variable have measurable impact on different forms of dependent variable such as total assets, net profit, share price and investment proxied profitability, while considering employee number count as a control variable for the study in selected finance companies of Nepal. In doing so, the study also provides also insights into whether CSR serves purely as a willingness requirement or as a driver of long-term profitability for these organizations. By analyzing this relationship, the study supports to the ongoing discourse on the role of CSR in enhancing both the sustainable business and societal welfare, offering a valuable implication for managers, policymakers and stakeholders in Nepal's evolving financial landscape within the competitive business world.

## Literature Review

Corporate Social Responsibility (CSR) has added an important consideration as businesses identify the importance of addressing societal and environmental concerns of their respective society while achieving economic goals and sustainable development of the world. Carroll (1991) describes that CSR as voluntary actions that companies take towards the benefit of society, aligning with the interests of different stakeholders such as customers, employees and communities (Crane & Glozer, 2016). While the relationship between CSR of the firm and financial performance of the firm remains debated, various past studies and existing literature suggest that CSR can either incur costs or offer benefits to the business organizations (Ullmann, 1985; Wang et al., 2011). McGuire et al. (1988) contend that further research is necessary to clarify link between the CSR conducted by firms and their profitability. CSR in finance companies typically comprises of different segments such as philanthropic, environmental, ethical and legal activities aimed at fulfilling obligations of the society (Gupta & Sharma, 2020). These CSR activities performed by organizations play most crucial roles in confirming that companies contribute positively to society while sustaining business practices in this competitive environment in a long run.

Financial performance of the firm is regarded as an indispensable gauge of success which is appraised using accounting and market-based measures (Jackson et al., 2009). Accounting measures of return related parameters, such as investment and share price imitate historical performance but may be inclined by managerial decisions in the organizations (Luo & Bhattacharya, 2006). On the other hand, in terms of market measures, such as market capitalization, deliver insight into investors' opportunities and future growth potential of the firm (Rust et al., 2004). Both measures are very critical for evaluating financial performance and non-financial performance of the firm, particularly in the context of CSR initiatives of respective firms in the market, as these offer a comprehensive view of how CSR influences both current and future company outcomes in competitive market situation.

While reviewing different theories regarding CSR, the shareholder theory which was introduced by Friedman (2007) posits that the primary responsibility of businesses is to maximize profits for the shareholders' value where CSR activities are considered as secondary matters. This concept of CSR contribution has been confronted by advocates of the stakeholder theory which was introduced by Freeman & Reed in 1983, which contends that the companies should consider the interests of all stakeholders in the society where they operate because without presence of stakeholders such as employee, customers, suppliers and other stakeholders business cannot breathe easily, so CSR and other practice in business institutions not just for shareholders value only. This

theory especially proposes that by addressing the needs of stakeholders where the firm is operated, firm can generate long-term value and confirm sustainability (Hillman et al., 2001). Additionally, the Triple Bottom Line (TBL) theory expands focusing on people, planet and profit on this by incorporating social and environmental proportions alongside economic performance of the organization, encouraging businesses to measure success holistically.

Many past empirical studies have provided that the mixed results regarding the relationship between CSR contribution of the firm and financial performance and respective firm. Licandro et al. (2024) found there is a positive relationship between CSR activities performed by the firm financial performance of these firms, which mediated by stakeholder satisfaction, across different firm sizes as well as types of the firm. Panthi (2023) emphasized that there is a significant positive correlation between CSR spending and profitability in Nepalese commercial banks studied using secondary and panel data set of CSR expending and profitability indicators, suggesting that the CSR contribution of the firm enhances financial outcomes of respective firms and stakeholder engagement. On the other hand, Mugoiri (2018) found that negligible to no significant impact of CSR activities on the financial performance of insurance companies in Kenya, with only community development CSR showing a slight positive effect towards their financial and nonfinancial outcomes. Likewise, Nimsith et al. (2017) & Agyabeng et al., (2024) found that there is positive links between financial performance and the amount contributed as CSR in Sri Lankan and Kenyan banks, respectively. Though, Gichohi (2014) documented that a positive but insignificant relationship between CSR and financial performance in firms listed on the Nairobi securities exchange limited. These studies propose that the CSR can positively influence financial performance, the strength and significance of this link depend on industry, context and methodology applied while conducting these studies.

Evidence suggests that a significant positive relationship between CSR and financial performance, although prior findings remain mixed result and may influence managerial and investor decisions Awaysheh, A. et al. (2020). Strengthening that argument, Yahaya, O. A. (2026) analyzes 152 firms listed on the Nigerian Stock Exchange from 2015 to 2024 and reports that the CSR significantly improves financial performance of the firm showing the value of  $\beta = 0.198$  and  $p < 0.01$ . The findings collectively imply that sustained CSR engagement enhances the operating efficiency and financial outcomes of the firm despite earlier conflicting evidence. Previously conducted national and international research on CSR shows that there are notable gaps in this field for the study, especially in Nepal and Asian region. While European studies frequently discover the CSR's link to financial performance, Nepalese research remains limited, focusing mainly on CSR status and its correlation with financial performance. Few of these studies delve into deeper, complex dimensions or use diverse methodologies (Zhao et al., 2022). Although some work has been done in Nepal (Chapagain, 2020; Adhikari, 2012; etc.), robust quantitative research method studies especially in finance companies are rare till the date of today. Globally, CSR studies frequently practice singular qualitative or quantitative methods and incline to overlook wider contextual influences (Tan et al., 2021).

**Table 1**

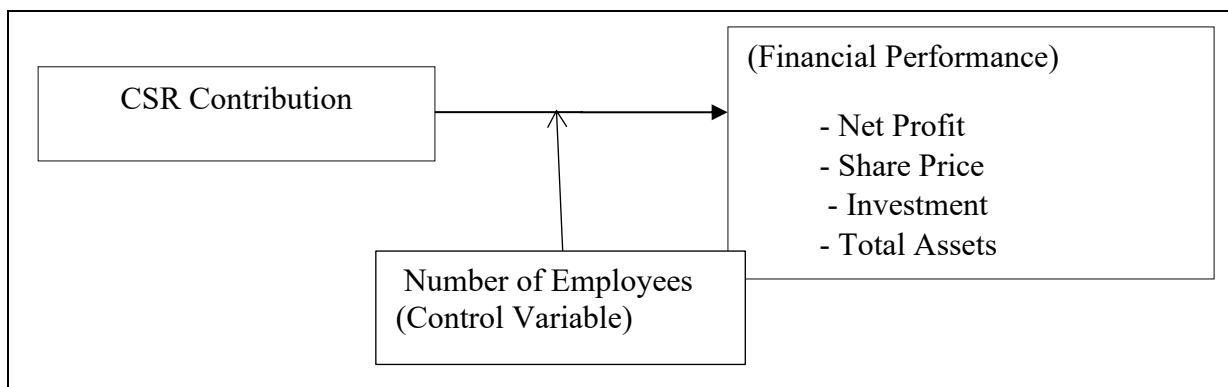
*Summary of Major Empirical Studies on CSR and Financial Performance*

Author	Objective	Data	Findings	Area
Awaysheh, A. et al. (2020)	To examine the relationship between CSR and financial performance	CSR ratings (Clustering of CSR scores)	Significant positive relationship	Benchmarking firms
Yahaya, O. A. (2026)	To examine the impact of conservation investments on the financial performance	Pannel Data	statistically significant positive relationship between conservation investments and firm performance, measured by ROA, ROE & Tobin's Q.	Publicly listed firms
Zhao et al., 2022	To investigate how perceived CSR impacts employee attitudes and behaviors.	Meta Analysis	Significant heterogeneity exists between perceived CSR and the outcome variables.	Review of 86 studies 168 listed companies of Nepal
Chapagain, 2020	To identify the status of CSR practices in the Nepalese context.	Questionnaire survey	CSR practices in Nepal are above the moderate level.	Nepalese Organizations
Adhikari, 2012	To examine the status of CSR in Nepalese companies.	Questionnaire survey	<i>Low intensity of CSR in Nepal.</i>	
Licandro et al. (2024)	To examine the relationship between CSR and financial performance	Questionnaire survey	Positive influence of CSR on financial performance	SMEs

*Conceptual framework.* Based on the previous studies such as Hillman et al., 2001; Licandro et al. 2024; Panthi, 2023 & Panthi, 2025, this study develops a conceptual framework to analyze the relationship between corporate social responsibility (CSR) and financial performance in Nepalese finance companies, using CSR contributions by these finance companies as independent variables and different forms of dependent variable such as total assets, net profit, share price and investment including number of employees count as control variable in selected Nepalese finance companies.

**Figure 1**

*Conceptual Framework*



## Research Methods

This study applies that a positivistic, quantitative approach with descriptive and causal-comparative research designs to assess the status of corporate social responsibility (CSR) activities and its impact of on financial performance of respective finance companies in selected Nepalese finance companies. Using secondary data from 2018 to 2022 as panel data set, it assesses that the various financial indicators such as net profit, share price, total assets and investment of these finance companies. In 2022, there were seventeen finance companies listed with NRB. The selection criteria were required that companies to have conducted AGMs regularly each year and to possess that a consistent five-year panel dataset on CSR. In this regard, only seven companies met both conditions of regular AGMs and complete CSR data for five consecutive years each. These seven finance companies were therefore selected for analysis, representing approximately 41% of the total population of finance companies operating here in Nepal. Among these finance companies, ten finance companies were excluded due to significant data fluctuations over the period of study. Data were sourced from annual reports of respective finance companies, NRB publications and the Nepal Bankers' Association covering CSR expenditure and contribution of these finance companies, financial metrics and employee numbers count of respective finance companies.

In terms of measurement and scaling of data set, ratio scales were applied to measure both CSR contribution and financial performance of finance companies as different independent and dependent variables. This study has employed tabular analysis to assess the status of corporate social responsibility of respective finance companies, Pearson correlation and multiple regression analysis using statistical package for social science (SPSS) for the data analysis to fulfill the objective of the study. Also, econometric models with cross-sectional regression techniques have been performed for the result of data set supported by descriptive statistics and inferential statistics such as t-test, F-test, adjusted R<sup>2</sup>. Regression results diagnostics, including different tests for normality, significance of coefficients, autocorrelation (Durbin-Watson) and multicollinearity, ensured the validity and reliability of the defined model to achieve research objective. In this study, organizational size is represented by employee number count which was used as a mediating variable in the analysis. In this study, CSR is regarded as independent variable, where different forms of dependent variables are such as profit, investment, total assets, share price and number of employees count perform as control variables for the model developed. CSR replicates that a company's voluntary efforts to positively impact society, environment and the economy itself (Hillman et al., 2001). Net profit indicates that financial performance, while investment refers to loans protracted by finance companies to clients similarly total assets measure financial strength and the number of employees signifies organizational size and capacity of the selected finance companies. Share price of the firm replicates that the market perception of a finance companies' performance. Control variable help evaluate the relationship between CSR and financial performance, offering empathies into how CSR initiatives can influence or bring into line with organizational growth designated by profitability and sustainability in Nepalese finance companies.

## Results

The following table no 1 demonstrates that the tendency of CSR contributions and different financial performance indicators of selected finance companies in Nepal over the period of study from 2018 to 2022. It highlights that changes in CSR spending or contributions, net profit, share price of the respective finance companies, total assets and investments, providing understandings into their annual growth patterns and overall performance of selected Nepalese finance companies.

**Table 2**

*CSR Contribution and Financial Performance of Selected Finance Companies (NPR Million, 2018–2022)*

Variables/Year	2018	2019	2020	2021	2022	Annual Growth %
CSR	3.64	4.32	4.83	5.53	5.20	10.00
Net Profit	561.68	729.28	763.98	1322.60	707.34	15.00
Share Price	561.68	729.28	763.98	1322.60	707.34	15.00
Total Assets	39681.27	52889.33	60158.71	75432.62	91399.31	23.00
Investment	27309.84	35525.85	39512.44	46089.77	59027.12	22.00

*Note:* Annual Reports of Selected Finance Companies

Table 2 presents that the CSR contributions gradually enlarged from Nrs 3.64 million in 2018 to Nrs 5.20 million in 2022, with an average annual growth rate of 10% per annum. In terms of net profit and share price of the selected finance companies, followed a similar trend, peaking in 2021 before declining in 2022, both showing a 15% of annual growth rate. Total assets and investments of these selected finance companies exhibited that steady growth, rising from Nrs 39,681.27 million and Nrs 27,309.84 million in 2018 to Nrs 91,399.31 million and the table shows that Nrs 59,027.12 million in 2022, respectively, reflecting that annual growth rates of 23% and 22% over the period of study.

### **Corporate Social Responsibility and Financial Performance**

This study aims to analyze that the link between corporate social responsibility contribution of different selected finance companies and different forms of dependent variables such as total assets, net profit, share price and investment of the nominated finance companies with number of employees count as control variable.

**Table 3**

*Correlation between CSR and Financial Performance*

Variables	TA	NP	Share Price	Investment
CSR	.581**	.780**	.536**	.703**

*Note :* \*. Correlation is significant at the 0.05 level (2-tailed).

*Note :* \*\*. Correlation is significant at the 0.01 level (2-tailed).

Table 3 presents that the correlation analysis indicates that CSR of selected finance companies have a positive relationship with profitability proxied by various financial performance indicators. CSR and Total Assets display a modest positive correlation of ( $r = 0.581$ ), signifying that companies engaging more in CSR tend to have complex assets. The strongest and positive relationship is between CSR and net profit ( $r = 0.780$ ), representing that greater CSR involvement is highly associated with increased profitability. Similarly, positive correlations are observed that CSR with Share Price (0.536) and Investment (0.703) respectively among the finance companies studied during this tenure.

### **Total Assets on CSR**

This study analyzes that the impact of corporate social responsibility (CSR) contribution and the number of employees count on total assets, analyzing the significance and strength of these relationships through correlation and regression analyses for the selected finance companies for the year 2018 to 2022.

**Table 4***Regression Results of CSR and Employee on Total Assets of Selected Finance Companies*

Model	Unstandardized Coefficients				
	B	t	Sig.	VIF	
1 (Constant)	4.604	7.010	.000		
CSR	.481	3.576	.001	1.144	
Employee	.954	7.292	.000	1.144	

*Note* : Dependent Variable: Total Assets $R^2=0.751$ ,  $F=48.290$ ,  $Prob>F=0.000$ ,  $DW=0.78$ ,  $N=35$ 

Table 4 postulates that the regression analysis results were examining the impact of independent variable corporate social responsibility (CSR) with the inclusion of control variable the number of employees count on total assets as dependent variable in selected finance companies of Nepal for the 5 years, started from 2018 to 2022. The model shows a high R-squared value of 0.751, representing that approximately 75.1% of the alteration in total assets can be explained by CSR and the number of employees in the selected finance companies of Nepal. The F-statistic ( $F=48.290$ ) and ( $p < 0.001$ ) of the model confirms that the overall significance of the model. Both CSR ( $B=0.481$ ), ( $t=3.576$ ) and ( $p=0.001$ ) and the number of employees ( $B=0.954$ ), ( $t=7.292$ ) and ( $p < 0.001$ ) in selected finance companies have significant positive effects on total assets represented as dependent variable, as evidenced by their t-values and p-values. The Variance Inflation Factor (VIF) of 1.144 for both predictors indicate no multicollinearity issues in the applied model for the study. The Durbin-Watson statistic ( $DW=0.78$ ) suggests that negligible positive autocorrelation in the residuals among the date set of CSR and profitability indicators during the period of study in stated model.

### Net Profit on CSR

This study explores that how corporate social responsibility (CSR) as independent variable with the control variable named number of employees count influence on different forms of dependent variable termed as net profit, using correlation and regression analyses to quantify these relationships and recognize the control effect of workforce size in designated finance companies in Nepal.

**Table 5***Regression Results of CSR and Employee on Net Profit of Selected Finance Companies*

Model	Unstandardized Coefficients				
	B	t	Sig.	VIF	
1 (Constant)	3.703	5.117	.000		
CSR	.929	6.276	.000	1.144	
Employee	.277	1.920	.064	1.144	

*Note* : Dependent Variable: Net Profit $R^2=0.648$ ,  $F=29.510$ ,  $Prob>F=0.000$ ,  $DW=1.93$ ,  $N=35$ 

Table 5 shows that the regression examination results inspecting the influence of corporate social responsibility (CSR) contribution and the number of employees count on net profit as proxied profitability of the selected finance companies in Nepal. The model has a substantial R-squared value of 0.648 which indicates that 64.8% of the variance in net profit is explained by CSR and the number of employees count included in the model. The overall model is significant, as shown by the F-statistic ( $F=29.510$ ) and ( $p < 0.001$ ) of the dataset used over the period of study. CSR contributions of these

selected finance companies in Nepal significantly positively effects on net profit of respective firms ( $B = 0.929$ ), ( $t = 6.276$ ) and ( $p < 0.001$ ), while the number of employees has a positive but marginally insignificant effect ( $B = 0.277$ ), ( $t = 1.920$ ) and ( $p = 0.064$ ) in the selected finance companies for the period from 2018 to 2022. Both independent variables have a VIF of 1.144, indicating that there is no multicollinearity issues within the model applied in this study The Durbin-Watson statistic is 1.93, which suggests that there is no significant autocorrelation in the residuals among the variables used in the model.

### Share Price on CSR

This study analyzes that the impact of Corporate Social Responsibility (CSR) contribution in selected finance companies of Nepal and employee number count (control variable) on the Share Price during the period of study. The multiple regression analysis explores that the relationships and significance of these variables in defining the companies' share prices for the same model.

**Table 6**

*Regression Results of CSR and Employee on Share Price of Selected Finance Companies*

		Unstandardized Coefficients			
Model		B	T	Sig.	VIF
1	(Constant)	5.094	4.584	.000	
	CSR	.715	3.143	.004	1.144
	Employee	.153	.691	.495	1.144

*Note* : Dependent Variable: Share Price

$R^2=0.298$ ,  $F = 6.801$ ,  $Prob>F = 0.003$ ,  $DW=1.609$ ,  $N=35$

Table 6 shows that the results of a multiple regression analysis inspecting the impact of CSR and number of employees count on share price in selected finance companies of Nepal. The constant term is 5.094 where p value is  $< 0.001$ , indicating that the baseline share price when independent variables are zero. CSR has a significant positive beta coefficient of 0.71 where p value is 0.004, suggesting that positively and significantly influences share price in selected finance companies of Nepal. The number of employees count, however, has a positive but not statistically significant coefficient (0.153) and ( $p = 0.495$ ) in the model run for this study. The model explains that the 29.8% of the variance in share price of selected finance companies ( $R^2 = 0.298$ ) and is statistically significant overall ( $F = 6.801$ ) and ( $p = 0.003$ ). The Durbin-Watson statistic of 1.609 indicates that there is no significant autocorrelation in the residuals in this model. Both CSR and Employee have VIFs of 1.144, showing no serious multicollinearity issues in the model used for the study.

### Investment on CSR

**Table 7**

*Regression Results of CSR and Employee on Investment of Selected Finance Companies*

		Unstandardized Coefficients			
Model		B	t	Sig.	VIF
1	(Constant)	4.242	8.271	.000	
	CSR	.715	6.817	.000	1.144
	Employee	.962	9.414	.000	1.144

*Note* : Dependent Variable: Investment

$R^2=0.866$ ,  $F = 103.254$ ,  $Prob>F = 0.000$ ,  $DW=1.143$ ,  $N=35$

Table 7 postulates that the results of a multiple regression analysis examining the impact of CSR as independent variable and number of employees as control variable on Investment in selected finance companies in Nepal. The constant (alpha) term is 4.242 ( $p < 0.001$ ), shows that the baseline Share Price when the independent variables are zero. Both CSR and number of employee variables have significant positive coefficients, with CSR at 0.715 ( $p < 0.001$ ) and employee at 0.962 ( $p < 0.001$ ), suggesting that the increases in these used variables in the model are associated with increases in share price of these selected finance companies for the period of study. The model also explains that a substantial variance of 86.6% in Investment with the  $R^2$  of 0.866 and is statistically significant overall ( $F = 103.254$ ) and ( $p < 0.001$ ). The Durbin-Watson statistic of the value 1.143 indicates that a possible issue with positive autocorrelation in the residuals. Both independent variables have VIFs of 1.144 with the dependent variable as investment of selected finance companies, showing that there is no any serious multicollinearity issues in the model applied.

## Findings

The major findings of this study reveal that the CSR contribution has a significant and also positive influence on the financial performance of designated finance companies in Nepal. CSR contribution amplified from NPR 3.64 million in 2018 to NPR 5.20 million in 2022, with a 10% annual growth rate for this sector. Correlation analysis for the data shows that there is the strongest association between CSR and net profit with the  $r = 0.780$ ), followed by next variable named investment with the  $r = 0.703$ ) and total assets of the firm with the value of  $r = 0.581$  also regression results indicate that the CSR contribution of these finance companies significantly effects total assets with the value of  $B = 0.481$ ,  $p = 0.001$  and  $R^2 = 0.751$ ), net profit with the value of  $B = 0.929$ ,  $p < 0.001$  and  $R^2 = 0.648$ ), share price with the value of  $B = 0.715$ ,  $p = 0.004$ ,  $R^2 = 0.298$ ), and investment with the value of  $B = 0.715$ ,  $p < 0.001$  and  $R^2 = 0.866$ ). Overall, CSR contributes positively to firm growth and profitability of respective finance companies in Nepal.

## Discussion

Corporate Social Responsibility (CSR) contributions ensures that selected Nepalese finance companies act responsibly while creating value for society and their respective stakeholders where these companies have been operated. This study also assessed that the CSR practices in selected Nepalese finance companies from 2018 to 2022. Findings of this study show that the CSR contributions rose from Rs. 3.64 million to Rs. 5.20 million during the period of study, reflecting an average annual growth of 10% per year. Although overall CSR strength remains low in Nepalese organizations (Adhikari, 2012), results sanction that the higher CSR reflects higher profits lead to increased contributions, consistent with the studies conducted by Cecil (2008) and Panthi (2023).

The analysis further revealed that there is a positive link between CSR contributions of selected finance companies in Nepal as independent variable and different forms of financial performance indicators as dependent variable such as net profit, total assets, share price and investment. Regression results, based on 35 observations collected, indicate that CSR independent variable significantly improves these different forms of dependent variable indicators, with particularly strong effects on net profit and investment. In the research framework, employee numbers count has been used as a control variable, were also found to strengthen CSR's positive impact. These outcomes bring into line with earlier studies such as Bnoui, (2011); Sun, (2012); Simionescu & Dumitrescu, (2018) & Panthi, (2023).

## Implications

Overall, the study accomplishes that the CSR contribution has been growing progressively and positively affects to the profitability outcomes while enhancing reputation and stakeholder trust within the selected finance companies of Nepal. The findings embrace important suggestions for managers, policymakers and further researchers, showing the important role of CSR contribution to indorse sustainable business practices in Nepal's financial sector for the days come to ahead.

### Scope for Future Research

Future research can be expanded through the sample of including commercial banks, microfinance institutions and insurance companies across Nepal. Also, a longitudinal study with additional control variables such as deposits and firm size and alternative performance measures like ROA and ROE could deliver deeper understandings into the long-term CSR Financial performance relationship.

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