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Exploring the Impact of Ownership Structure and CEO Power on CSR and Firm Performance in Pakistan: A Comparative Study of Pre, Post and Covid Era as an Emerging Economy

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Abstract

The primary purpose of this research is to acquire a profound comprehension of the impacts of Corporate Social Responsibility (CSR) on the operations of firms and on society as a whole, with Pakistan serving as the focal point of the research. This study's objective is to determine whether or not there is a moderating effect of CEO power on the relationships that exist between CSR, ownership concentration, and efficient business practices. In-depth research has been conducted on fifty different non-financial enterprises in Pakistan to see how well they performed before, during, and after the Covid-19 Pandemic. On the data that has been gathered, descriptive statistics and regression analysis have been carried out with the assistance of SPSS. The research found that in the middle of the Covid-19 outbreak in Pakistan, the degree of authority held by CEOs had a major impact on the dynamics of the economy. The authority of the Chief Executive Officer (CEO) have a significant impact on the relationship between corporate social responsibility (CSR) and the performance of an organization. Even in a developing country like Pakistan, the present study highlights the importance of corporate social responsibility (CSR) and the positive influence it may have on the bottom line of a firm. The purpose of this study is to investigate the beneficial benefits that corporate social responsibility (CSR) has on society, with a particular emphasis on emerging countries such as Pakistan. This research serves as a useful guide by emphasising how important CSR is for linking together the success of businesses and the well-being of the society in which they operate.

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INTRODUCTION

The COVID-19 pandemic has had a significant influence on economies and economic sectors throughout the globe. According to projections made by specialists, the global GDP will shrink by 5.2%, and there will be a decline of up to 40% in international commerce (World Bank, 2020). The economy of Pakistan has also been negatively impacted, and the situation has been made worse by weak macroeconomic data and a failure to comply with IMF conditionality. The country's GDP growth forecast was already low before the pandemic, but it has been slashed to -0.38% for 2020, which indicates a yearly GDP decline of 1% due to an expected 8.9% contraction in the fourth quarter of 2020. Before the pandemic, the GDP growth forecast for the country was already low (State

Bank of Pakistan, 2020). It is estimated that 3 million to 4 million jobs have been lost as a direct result of the pandemic. In April of 2020, the government implemented a nationwide lockdown, which consisted of the closure of all commercial establishments that served as places of business and recreation. These establishments included gyms, restaurants, and shopping centres. According to the "COVID-19 Socio-economic Impact Assessment and Response" study compiled by the United Nations in Pakistan, the manufacturing sector went through a period of considerable contraction in the first quarter of 2020 as a direct result of the epidemic (United Nations Pakistan, 2020).

Several sectors have been impacted differently by the COVID-19 pandemic, with the service sector being the most badly hit, followed by manufacturing and agriculture. The service sector, which includes the hotel, tourist, supply chain, and logistics sectors, has seen major income decreases (United Nations Pakistan, 2020). As stated in SDG 9 of the Sustainable Development Goals, this has hampered Pakistan's attempts to promote equitable and sustainable industrial growth. Building resilient infrastructure, advancing inclusive and sustainable industrialisation, and encouraging innovation are the three goals of SDG 9. Due to the fact that nations with strong infrastructure have been better equipped to react to the crisis, the pandemic has brought attention to the need for resilient infrastructure (United Nations, 2020). Pakistan must give priority to aiding the service sector and promoting investment in industries that have shown resilient throughout the epidemic, such e-commerce and digital technology, in order to alleviate the problems caused by the pandemic and fulfil SDG 9. Businesses and families in Pakistan that have been impacted by the epidemic will be supported by the State Bank of Pakistan via the implementation of a relief package with a total value of PKR 1.58 trillion (\$9.6 billion) (State Bank of Pakistan, 2020). Manufacturing firms in Pakistan have had different progress in the pre, post and covid eras. The term "integrated duties comprising all financial, legal, ethical, and social responsibilities that a society expects from an organisation" best describes what is known as "corporate social responsibility," or CSR for short. CSR is an abbreviation for "integrated duties comprising all financial, legal, ethical, and social responsibilities that society expects from an organisation (Caroll, 1979). The expanding body of evidence indicating that the ownership structure of a company has a significant impact on the transparency of its CSR programmes has sparked considerable debate in the contemporary business world. The extensive study undertaken on the topics of corporate governance (CG) and corporate social responsibility (CSR) reveals the significance of CG processes in influencing CSR-related endeavours. As a consequence, the volume and quality of CSR reporting may be influenced by CG's embedded idea of diverse ownership structures.

This may affect the delicate relationship between a corporation and its many stakeholders (Van der Laan Smith, Adhikari, & Tondkar, 2005). Previous research has shown that various categories of shareholders have varying degrees of influence on a company's choice of strategic directions and investments (Hoskisson, Hitt, Johnson, & Grossman, 2002; Zahra, 1996). It is conceivable that various shareholder groups will have varying effects on the corporate social responsibility operations of the company, and this is something that can be precisely anticipated (Oh, Chang, & Martynov, 2011). However, despite manufacturers' regular vulnerability to setbacks, research into the aftermath of crises for manufacturers is sparse. The coronavirus pandemic has caused widespread distress throughout the globe. It was hypothesized by Baker, Bloom, Davis, and Terry

(2020) that COVID-19 is a catastrophe that has diverted attention away from global commerce. The unexpected lockdowns, supply chain interruptions, and demand swings give this pandemic a special flavour of crisis. It caused havoc in the global economy and shook up almost every industry (Goodell, Al-Nakib, & Tasca, 2020). Both good and negative emotions, such as gratitude, curiosity, affection, rage, pain, concern, sadness, etc., may result from a traumatic experience (Tedeschi & Calhoun, 2004). Feelings of joy and contentment may shield resilient individuals from the negative effects of setbacks, allowing them to thrive rather than fail (Otero et al., 2020).

There was a confirmed incidence of COVID-19 in Pakistan in the year 2020. As the Iranian pilgrims crossed the Taftan border, the number of reported cases started to rise. Furthermore, the lockdown was declared and put into effect in less than a day, leading to mayhem as settlers rushed to return to their homes and communities, further increasing crowds and making it impossible to avoid social gaps. As of the 18th of November 2021, 1,280,822 instances have been documented in Pakistan, resulting in the deaths of 28,638 people. This period has also impacted SMEs, leading to early difficulties (SMEDA & Mahbub-ul-Haq, 2021). Economic losses on a national and international scale have resulted from the COVID-19 coronavirus epidemic.

Many companies are losing money due to various problems. In particular, businesses are dealing with a wide range of issues, such as falling demand, stymied supply chains, cancelled export orders, a lack of raw materials, and stalled transportation. However, it cannot be denied that the worldwide COVID-19 pandemic has had a major effect on companies everywhere. Shareholders and other stakeholders are exerting a growing degree of pressure on businesses to address the negative effects of their activities on the communities in which they operate and the natural environment (Manning, Braam, & Reimsbach, 2019). Variations in the degree of openness shown by the corporation may be explained, at least in part, by the company's ownership structure (Elmagrhi, Ntim, & Wang, 2016). The ownership structure of the firm is one of the most critical elements in defining CG's social and environmental attitudes, according to the study of Simerly and Bass. This is because various sorts of shareholders have different social and environmental viewpoints (1998). The professional owners of a business, which may include governments, institutions, and even foreign investors, can propose and vote on a broader range of strategic alternatives than those investments made by the company itself (McWilliams & Siegel, 2000). Therefore, it should not come as a surprise that institutional investors have a greater impact on how their corporations spend funds for social and environmental causes (Oh et al., 2011). As a result, we give the first of several explanations indicating that ownership structure may play a very visible role in influencing the CSR attitudes and behaviours of organisations. Chang et al (2015) Previous studies have investigated the relationships between corporate social responsibility and a variety of different factors, including stock funds (Waddock and Graves, 1997), business size (Udayansankar, 2008), shareholder profiles (Fee et al., 2013), board composition (Johnson and Greeming, 1999), ownership concentration (Udayansankar, 2008), and business size. Other studies have focused on board composition (Johnson and Greeming, 1999), and board composition (Johnson and Greem (Udayansankar, 2008).

Either management will receive cash to improve the organization's business performance; however, this raises the question of whether or not the relevance of the

organization's social performance will also be called into question. Either management will receive cash to improve the organization's business performance. According to Hambrick (2007), a company's top management is a reflection of the company as a whole, and according to Manner, Oh, and colleagues (2014), the characteristics and motives of a company's CEO will have a substantial influence on CSR initiatives carried out all over the world (Hambrick and Mason). In previous research, the hypothesis that the traits and goals of a company's chief executive officer (CEO) would affect the average degree of social responsibility practised by corporations all over the world was largely accepted (Manner Oh et al; 2014).

According to Barker and Muller (2002) there is currently no widespread agreement among industry professionals about the significance of exercising corporate social responsibility. In this research article, we will answer the following questions based on the research conducted by Hambrick and Mason (2015) on the viewpoint of the upper echelons: what is the impact of CEO power on organisational accomplishment, and how does ownership concentration impact the performance of organisations. Throughout this research, we will answer these questions. (1984). It is possible to depict it as CEO power with the purpose of shareholders via pay, or shares may boost organisations that are actively involved in CSR (Homburg et al., 2013). Both of these interpretations are valid. Both of these readings are correct in their way.

Researchers in a broad variety of fields have proven that there is a link between the amount of a firm's corporate social responsibility (also known as CSR) and the level of financial performance that the company achieves (Freeman, & Hasnaoui, 2011). Numerous studies have been conducted to investigate whether or not there is a connection between the achievements of a company and its corporate social responsibility (CSR) efforts, and those studies have come to one of three conclusions: there is either a positive, a negative, or no relationship between the two. M. Friedman asserts that there are problems with the organization's current degree of corporate social responsibility (1970).

As early as 1953, Bowen had the belief that companies needed to be able to meet the criteria of the society in which they functioned to be successful. Garas's research has demonstrated that there is a considerable connection between management, ownership, and the duty of a corporation to its community (CSR). There was a positive association between Bowens' anxiousness and the performance of the firm. This correlation worked in Bowens' favour. As a direct and immediate result of this, the organisation regards issues about its corporate social responsibility as problematic (McWilliams, & Siegel, 2001). When it comes to spending money on behalf of the company, managers have great resistance to doing so. On the other hand, the stakeholder hypothesis maintains that corporate social responsibility (CSR) can increase capital by enhancing linkages with a variety of stakeholders. This would serve to nurture goodwill among stakeholders and minimise the chance of unfavourable stakeholder assessments, both of which would reduce the risk of a loss in profitability.

In turn, this would help to defend against a decline in profitability. According to the tenets of economic theory, the prosperity of a business is directly proportional to the degree to which that business exercises its corporate social responsibility, sometimes abbreviated as CSR. On the other hand, organisational and management theory

contends that the dominance of the CEO and the concentration of ownership have a greater influence and appear to be less expensive than alternative strategies (Lee & Lee, 2019). They say this is because the CEO and ownership make up a larger percentage of the company. Because they are in charge of day-to-day operations and might provide crucial concepts for a deeper understanding of the connection between CSR and economic performance, the primary decision-making groups, such as CEOs and owners, need to be investigated as well. This is necessary because they are in charge of the relationship between CSR and economic performance. Since their needs must be taken into account, this step must be taken. It is of the highest significance that something is done since it is necessary to act on the question (Hu et al., 2021). The concentration of ownership is an important factor in corporate governance since it plays a part in both the decision-making and improvement processes of an organisation. Numerous studies have shown that there is a significant inverse correlation between managerial ownership and firm performance, while there is a significant positive correlation between ownership structure concentration and improved firm performance.

This finding contradicts the findings of other studies that found a significant positive correlation between ownership structure concentration and improved firm performance. Researchers have concluded as a result of this that ownership concentration has an important role in increasing the performance of a company (Hu et al., 2021). This is because a lot of studies have found a correlation between management ownership and poor performance in the company. This result is supported by several additional pieces of research that point to a positive correlation between management ownership and the financial success of a company. These studies suggest that this association is beneficial for the organisation. S. Garas and S. El Massah demonstrated that there was a link between corporate social responsibility (CSR) and the effectiveness with which a company carried out its operations when ownership concentration and managerial ownership were taken into consideration.

We can determine whether or not there is a connection between corporate social responsibility and the success of businesses and whether or not there is a concentration of power and ownership in the CEO by analysing CSR policies, company performance, and agency theory. This allows us to determine whether or not there is a connection between corporate social responsibility and the success of businesses. As a direct consequence of this, the major purpose of this research is to explore the link between the degree to which ownership is concentrated, the level of influence exerted by the CEO, and the level of financial success achieved by the business (Liu et al., 2021).

Despite widespread knowledge of CSR methods, most research in this field is conducted in the industrialised world. There is currently a research deficit in the field of CSR in emerging economies since CSR practises vary from country to country. Numerous research has established a positive correlation between CSR and FP, perhaps since CSR itself has moderating effects that make it easier for people to focus on the positives in their lives. The influence on brand image, market share, and consumer happiness (Lyu et al., 2021). It has been found that CSR and FP are positively related to the moderating effects of marketing expertise. Another research, this one controlling for the impact of advertisements, also discovered a significant correlation between CSR and FP. If businesses consistently provide high-quality innovations, they will see a rise in client

retention rates. Additionally, research that used brand performance and brand equity as moderators discovered a favourable correlation between CSR and FP.

Intellectual capital may moderate the link between CSR and FP, and the nature of the business sector is a moderating factor. S Lee and H Jung found that whereas differentiation and external modifiers bolster the favourable impacts of CSR and FP, cost reduction has the opposite effect (Tian et al., 2021). More people will care about a company if it improves its CSR initiatives. To yet, research on the relationship between CSR and FP has not looked at the CEO's influence or the ownership structure of the company, two factors that are likely to be particularly important in less developed nations. Some researchers have looked at the relationship between CEO power and CSR or FP and have discovered a negative correlation in industrialised countries. Moreover, CSR in the setting of emerging economies has been the subject of several research, with findings indicating a lack of CSR education and institutional support. This suggests there is a further need for investigation into CSR in these regions. Since motivation is low and resources are few, the expense of reporting on CSR activities is another factor that limits CSR engagement in poor nations. In areas such as dishonesty, tax payment issues, work-related safety and health (WSH), environmental protection, employee practises, and social rights for humans and child labour, businesses in developing economies like India, Pakistan, Bangladesh, and China are notorious for not adhering to government code of practise (Hiros et al., 2021). Companies face several difficulties in the current environment and finish their CSR project. Understanding the impact of Corporate Social Responsibility (CSR) on business operations and firm performance in the context of developing economies, specifically in Pakistan, is the research problem identified in this study. The purpose of the research is to investigate the connection between CSR and effective business practices, with a particular emphasis on the moderating role that CEO authority and ownership concentration have in the relationship. In addition to this, the purpose of the study is to analyze the effect that Covid-19 has had on the connection that exists between CSR and corporate performance in Pakistan. The purpose of this study is to investigate the connection between corporate social responsibility (CSR) and the financial performance of non-financial businesses, as well as to determine the moderating effect that CEO authority has on this connection, and to investigate how the influence of Covid-19 affects the connection between CSR and financial performance in Pakistan.

The primary objective of this research is to investigate and analyse the connection between firm performance and corporate social responsibility (CSR), taking into account the moderating impacts of CEO authority and the structure of ownership in a developing country like Pakistan in the Pre, post and Covid era. Specifically, this investigation will focus on the relationship between firm performance and CSR (Rasheed & Ahmad, 2022). On the one hand, the structure of ownership affects the authority that management has concerning decision-making about CSR. On the other hand, it is thought that the power of the CEO has an influential influence on the investment that is made on the influential impact of investments in CSR (Tian et al., 2021). The difficulties that the organisation is experiencing may be lessened if CSR contributions were donated; this would encourage both the management and the shareholders to invest more money in CSR activities. This is also considered to be a notion that has never been considered before regarding emerging nations and their investigations into the core parts of corporate social

responsibility (CSR). The COVID-19 epidemic in Pakistan has had the most significant effect on the country's service sector, followed by the manufacturing industry and the agricultural sector. According to a study that was produced by the United Nations in Pakistan in the year 2020 and released there, the hotel and tourist industries, along with supply chain and logistics, all saw significant drops in income. This was the case across the board. The aforementioned issue is a substantial barrier for Pakistan's advancement towards achieving SDG 9. The ninth goal of the Sustainable Growth Agenda is to strengthen the fairness and resilience of the industrial sector in order to promote the inclusive and sustainable growth of the industrial sector. If Pakistan is serious about finding answers to the problems that have been raised, the country must put a greater emphasis on the service sector and encourage the growth of solid businesses, such as those based in e-commerce and digital technology.

A comprehensive relief plan with a value of PKR 1.58 trillion (\$9.6 billion) was recently launched by the State Bank of Pakistan in order to deal with the economic effects of the current pandemic. The State Bank of Pakistan asserts that the programme was conceived in the year 2020 with the intention of assisting both private persons and commercial enterprises. In light of the current state of the economy, it is abundantly clear that the private sector will play a significant role in determining whether or not Pakistan's economy can revive. We investigate the relationships between corporate social responsibility (CSR) and factors such as share structure, CEO power, and financial performance in this research. The significance of this research comes in the fact that it could be able to provide light on the way in which organisational power dynamics and corporate social responsibility practises in Pakistan have an effect on the country's economic performance and the well-being of its society. Two objectives, namely sustainable and equitable economic growth, stand to gain a great deal from the successful implementation of CSR methods. It is essential to recognise the part that company CEOs and ownership structures play in influencing the development of corporate social responsibility (CSR) activities and the general efficiency of a business's operations. The economic and business climate of a nation may be impacted by the decisions made by both its people and its businesses.

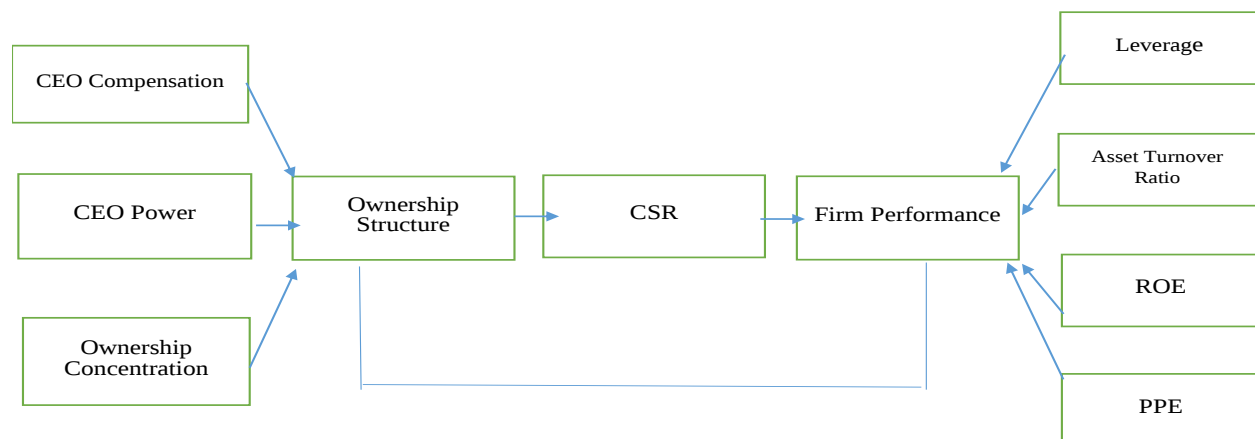


Figure 1.
Conceptual Framework

The purpose of this research is to provide a contribution to a better understanding of the function that CSR plays in the growth of developing economies like Pakistan. For this reason, research into CSR initiatives in the context of economies in development is urgently needed. Therefore, the purpose of this research is to investigate the impact of corporate social responsibility on profits, while also accounting for the moderating impacts of CEO authority and ownership structure (see Figure 1).

LITERATURE REVIEW

Corporate Social Responsibility, often known as CSR, and the authority held by the CEO are two key factors that have received a significant amount of attention from researchers in the fields of management and organization. Although corporate social responsibility (CSR) refers to the steps that companies take voluntarily to enhance their social and environmental performance, CEO power refers to the amount to which the CEO has influence over the decision-making process inside the company. The literature has a lot of disagreement about the link between corporate social responsibility and the performance of a company. According to the findings of several research, there is a positive correlation between corporate social responsibility and company performance, which suggests that businesses that participate in CSR initiatives do better financially (e.g., Orlitzky, Schmidt, & Rynes, 2003; Aupperle, Carroll, & Hatfield, 1985). Some research have produced conflicting findings; for example, Margolis and Walsh (2003) discovered that there was either no association between CSR and company performance or even a negative relationship between the two (e.g., McWilliams & Siegel, 2001).

It is probable that the link between CSR and business performance is dependant on certain circumstances, such as the industry, the firm size, or the particular CSR activities that were conducted. This is one potential reason for the conflicting results that were found (Jones & Wicks, 1999; Campbell & Slack, 2008). If a company does not participate in CSR activities, for instance, businesses operating in certain industries, such as the oil and gas industry, may be subject to increased scrutiny as well as negative publicity for the environmental practices they engage in. This may have an adverse effect on the financial performance of the company. In a similar vein, businesses that participate in endeavors that are in line with their primary commercial strategy have a better chance of reaping the monetary rewards associated with such endeavors than do businesses that participate in endeavors that are not in line with their strategy (Porter & Kramer, 2006).

The link between the power of the CEO and the success of the company may be dependant on both the quantity of authority and how it is exercised, which might be one potential reason for the conflicting results (Chatterjee & Hambrick, 2007). CEOs who exploit their position for personal gain, on the other hand, may have a detrimental effect on the success of their companies, while CEOs who utilize their influence to make strategic choices that are beneficial to the company may have a good impact on the performance of their companies. In addition, the connection may be tempered by other variables, such as the make-up of the board or the peculiarities of the industry (Barnhart & Rosenstein, 1998; Daily & Dalton, 1994).

Research has been conducted in Pakistan to investigate the links between corporate social responsibility (CSR), CEO power, ownership structure, and business performance. According to the findings of a research that was conducted by Abbas, Khan, and Raza (2019), there is a positive association between CSR and company performance in Pakistani enterprises. This finding suggests that businesses in Pakistan that participate in CSR activities have better financial results. In yet another research, Shahzad, Ramzan, and Iqbal (2020) discovered that the power of the CEO had a negative influence on the performance of Pakistani enterprises. This finding suggests that strong CEOs may engage in activities that are harmful to the organization they lead. In addition, a research that was conducted in 2017 by Masood, Ahmad, and Ishaq indicated that the ownership structure of Pakistani enterprises may have a considerable influence on the company performance, with a larger share of insider ownership correlating to better firm performance.

Agency Theory

The connection between the principle (the owner of a corporation) and the agent is the subject of a significant amount of research and discussion in the discipline of corporate governance, which is known as agency theory (the manager). According to this theory, the interests of the principal and those of the agent do not always coincide, and there is the potential for a conflict of interests to arise between the two parties. The agency dilemma occurs when the agent acts in their own self-interest rather than the interest of the principal, which may result in a reduction in the firm's performance. This can be problematic for both parties involved.

Many studies have been conducted to investigate the agency theory's implications for corporate governance and business performance. This theory has been the subject of substantial research in the academic literature. The agency theory was created by Fama and Jensen in 1983. This theory emphasizes that the fundamental purpose of a company is to maximize the wealth of its owners, and that managers should behave in a manner that is in the best interests of shareholders. They suggested that the agency issue develops because ownership and control are kept separate, which results in knowledge asymmetry as well as conflicts of interest.

The agency costs, which are defined as the expenditures incurred as a result of the agency issue, are one of the most important aspects of the agency theory. The expenses associated with the agency may be broken down into three distinct categories: monitoring costs, bonding costs, and residual loss. Monitoring costs are the expenditures paid by the principal in order to monitor the activity of the agent. Examples of monitoring costs include auditing and reporting charges. Bonding costs are the expenses paid by the agent in order to give the principal with confidence that the agent will act in the principle's best interest. Examples of bonding costs include bonding contracts and performance-based incentives. The loss that is sustained by the principal as a result of the agency issue is referred to as the residual loss. An example of this would be the loss of shareholder value. The agency theory has a number of key consequences for corporate governance, the most notable of which is that it argues that the design of corporate governance structures may help ameliorate the agency issue and cut agency costs. A board of directors, executive salary, and an ownership structure are all examples of these

systems. The board of directors is accountable for evaluating the performance of the chief executive officer (CEO) and ensuring that the CEO is acting in a manner that is beneficial to the company. The interests of the CEO and the shareholders are more closely aligned when executive remuneration is structured in a way that includes stock options and performance-based pay, for example. The agency issue may also be affected by the form of ownership, which can include both institutional ownership and familial ownership.

Corporate Social Responsibility a glimpse from Pakistan

CEOs and ownership structures in Pakistan, a developing country, may vary from those in more developed nations. For a long time now, Pakistan's economy has been plagued by poor growth. As an alternative growth strategy, stakeholders are increasingly paying attention to the corporate social responsibility (CSR) operations model might boost company expansion (Choi et al., 2021). Unique conditions exist in Pakistan that make studying CSR very interesting groups on a global and national scale are urging people to take it for a variety of good reasons (Yuen et al., 2021). Many issues plague Pakistan, including a volatile economy and government. Terrorist attacks, insufficient health and education infrastructure, energy shortages, and industrial collapse are just some of the issues that have plagued the world recently communities at odds, corruption at all levels, and a weak control agenda (Wu, Zhong, & Song, 2020). When seen from a wider perspective, All in all, the industrial sector is affected by these issues. Furthermore, businesses function.

When it is believed that products are made of substandard quality and that human rights are violated inadequate housing, pay issues that prevent attainment of a reasonable level of life, and the alarming prevalence of child labour, to boot (Planer-Friedrich & Sahm, 2020). Rising water and environmental concerns provide an additional danger of air pollution due to poor waste management on the part of most businesses. In addition, Pakistan is a developing nation with a low level of CSR-related awareness. It is important to note that in Pakistan, comparatively more CSR efforts are undertaken by major corporations than by their smaller counterparts. Research regarding the state of the environment and the breadth of corporate social responsibility in Pakistan is related to expansion, and the state of CSR implementation among Pakistani enterprises as it stands right now is still developing, especially in terms of how it handles CSRs. For this reason, it's important to keep eye on research from a Pakistani point of view on CSR to broaden our understanding of its relevance, importance, and need for responsibility and accountability in the community and state (Garcia et al., 2018).

CSR and Firm Performance

As a result of several research in both established and developing countries, the connection between CSR and FP is not a recent phenomenon. The correlation between CSR and FP is positive, negative, and non-existent in a few studies. Concerning such dubious findings, a research gap enables further research to be conducted in an attempt to arrive at desirable conclusions. Presently, there are two different theoretical underpinnings for why CSR and FP go hand in hand (Kang et al., 2022). One school of thought contends that CSR has a bad connotation since it is often believed that charitable donations made by businesses will raise their operating costs to help fund

initiatives aimed at enhancing community well-being and draft policies aimed at safeguarding the environment. On the other hand, proponents of a positive correlation point to the fact that CSR boosts employee happiness and the reputation of the firm as a whole (Kusi, et al., 2021). CSR has been linked to several positive outcomes, and many researchers have explored this correlation experimentally through the use of FP. Research into the cement industry indicated that CSR is positively correlated with FP. It has been proven by several studies that engaging in CSR may improve FP (Liu et al., 2021). According to research done in Brazil, corporate social responsibility (CSR) is in inverse proportion to FP. The correlation between corporate social responsibility (CSR) and a company's financial success is, in most cases, favourable changes depending on the nature of the business; certain sectors have a bad reputation. When compared to the agency idea, which argues that a greater number of stakeholders improves FP. More than that, it argues that corporate social responsibility (CSR) is beneficial to the company's performance by shielding the interests of all parties involved and lowering the possibility of failure to achieve resources. Researchers A. B. Casado-Daz, J. L. Nicolau-Gonzálbez, F. Ruiz-Moreno, and R. Sellers-Rubio combed FP and discovered that CSR activities had a beneficial effect on FP. A company's bottom line may benefit from corporate social responsibility (CSR) initiatives and its connections to many parties, which result in increased earnings. Despite researchers' reports of conflicting findings in the literature on CSR and FP, the vast majority of experts agree that the two go hand in hand research has shown favourable associations between CSR and FP in industrialized nations. On the other hand, outcomes in poor nations remain inconsistent and inadequate. Based on the aforementioned research, we propose the following hypothesis:

H1. CSR has a significant effect on firm performance

The Effect of CEO power on CSR and Firm Performance

The corporate governance of a company or business may make or break a business or market. The Chief Executive Officer (CEO) plays a pivotal role in corporate governance, and as such, their authority has an impact on company decisions. The influence of chief executive officers has been studied by academics from a variety of disciplines, including management, budgeting and macroeconomics (Sun et al., 2021). The other side of this is that there is no irreversible agreement that shows how precisely CEO power produces a greater worth. Theoretical economics suggests that giving CEOs more authority might lead to tensions with their managers.

Shareholder interests, there may be agency issues. However, administrative and cost-benefit analysis of the CEO's authority in certain organizations is supported by the literature on management. Furthermore, stakeholders have varying views on the CSR activities of corporations. Consequently, understanding the connection calls for a careful examination relating Corporate Social Responsibility (CSR) to the bottom line. Specific elements of relevance in stakeholder management imply a connection to authoritative influence. Corporate governance may occur via a variety of avenues as X Giroud and HM Mueller report. Also, Finance and FP. Using CEO industry tournament incentives to explain investment strategy. If you believe JL Coles. According to Z Li and AY Wang, the CEO pay gap and the stakes of industry tournaments are used as metrics to choose the

winners top executives who are given a salary. In it, they argue that a company's financial and investment strategies, as well as its risk and performance, significant correlation between industry tournament incentives and the good. Companies often provide employees with stock options and restricted shares. Top executives are in charge of setting and monitoring equity incentives. According to research by J. Core and W. Guay (2018) , there is a relationship between the two and urged that businesses think about economic theory. The advantages of reciprocal monitoring are also highlighted by different researchers.

The research examined the possibility that CEO remuneration can be justified as a means to rein in corporate merit from a monetary point of view. It is assumed that the CEO in a developing nation like Pakistan is more typically held by immediate family members, this position is more influential than the board of directors. Pakistani law mandates full disclosure of CEO pay in the country's annual reports, on the other hand, it's possible that other Asian nations won't be as forthcoming with this knowledge. In contrast, F Li, T Li, and D Minor took CSR into account when analyzing classical agency theory as an excessive investment, and met with a group representing CSR and FP to talk about the CEO's position.

The metric was CEO authority was shown to be inversely related to CEO compensation, CEO dualism, and CEO tenure should take part in CSR, and increasing one's participation in CSR is a value-creating move. Stakeholders according to the thesis, a company's relationship with its shareholders might benefit via its participation in socially responsible initiatives. According to the principle of "stakeholders," business leaders aim to boost their bottom line by cultivating stronger ties with company stockholders. Many studies have shown that the CEO may influence transparency in an organization. F Song and AV Thakor (2019) researched CEO remuneration data to come up with Statistical data that was presented to the panel. To identify the correlation, managerial power theory (MPT) is provided. In addition, Pakistani marketplaces provide a unique setting for examining the connection between CEO pay and FP, how board members monitor and determine that pay. By family or close-knit corporate control, and the role of the board of directors in setting CEO pay structure. There is a favourable relationship between FP and CEO pay, according to the studies. Moreover, a benchmark was identified by Evidence from Chang et al. shows that quality-focused disclosure is strongly correlated with CEO compensation. Considering the above, we propose the following:

H2. CEO power has a significant effect on the performance of the firm.

The Moderating Effect of CEO power on ownership structure and firm performance

Several research has looked at the correlation between CSR and CG. Corporate social responsibility (CSR) creates a firm's duties internally as workers and externally as societies, which impacts the CG structure and FP. H Demsetz and H. Demsetz (2015) first explored the ownership structure of a company. The ownership structure is investigated endogenously, as claimed by Demsetz and K. Lehn. Managerial pay is linked to FP in the theory of agencies, making it a potent instrument for managers and investors need to find common ground. The ownership structure is linked to FP and is a determinant of a company's efficiency, according to property rights theory. Researchers have delved into FP and the kind of ownership structure they had, and their findings were contradictory.

According to stakeholder theory, a business's performance is determined by a variety of factors, not only by financial shareholders' influence but also by that of workers, governments, consumers, other stakeholders' supplier communities and social structures. Companies that care about their social impact work hard to balance the needs of everyone involved might result in increased earnings. A solid ownership structure is a key to achieving this objective.

The two main types of ownership are management ownership and ownership. Davis investigated the concentration of CSR in the form of conventional financial gains earned by corporations and the things they do that benefit society. As a result, CSR is preoccupied with the value that companies provide for their workers, customers, creditors, communities, and society as a whole are all shareholders. Elsayed and Wahba (2019) have shown that businesses might gain an advantage over their competitors. Ownership by the company's management and board of directors is referred to as "managerial ownership" by governing bodies and key players in the company. There was a negative correlation between managers and owners that may be mitigated by management ownership between both, however, there is a positive correlation between management ownership and FP. Those who have shares who tradable shares allow holders to vote on company matters and attend shareholder meetings for more input into corporate strategy and responsibility-related authority.

A large body of research, including close and friendly ties. In his research, Garas looked at how corporate social responsibility (CSR) relates to management ownership and came to a favourable conclusion. Additionally, with the help of external stakeholders and compliance with social reporting standards, a company may become a leader in CSR operations directors than relatives of the same family. A manager's ability to include shareholders in the solution process via Corporate Social Responsibility initiatives, boosting both shareholder value and bottom line. Starting with the above, we arrived at the following hypothesis:

H3. CEO power has a moderating effect on ownership structure and firm performance

METHODOLOGY

Data Collection and Sample Size

The selection of fifty non-financial businesses in Pakistan occurred not through the use of a random sample method, but rather through the use of a preset set of criteria. The available choices have been assessed against a predetermined set of standards before a decision emerged. Companies have been selected after extensive research and analysis. The methodology comprised a wide variety of non-financial industrial sectors in order to generate a sample that proved balanced and reflective of the whole. The cement industry, the chemical industry, the fertiliser industry, the oil and gas industry, the refinery industry, the pharmaceutical industry, and the textile composites industry are all examples of industries that fit within the categories described above. The purpose of ensuring that a representative sample was utilised was the primary motivation for include businesses and industries from a wide variety of categories. With the help of this technique, it is possible to evaluate and contrast the CSR initiatives implemented by businesses operating in various sectors. The annual reports of the companies that were

considered for inclusion in the sample were analysed to see whether or not they included any particular references to CSR initiatives. The inclusion of this criteria was essential for establishing the degree to which the chosen companies engaged in CSR initiatives and for ensuring that appropriate data was accessible for analysis. In addition, the inclusion of this criterion ensured that adequate data was made available.

Prior to the year 2008, businesses in Pakistan were needed to get official accreditation from the Pakistan Stock Exchange (PSX) and maintain an outstanding share value in excess of at least 100 million rupees in order to meet the minimal requirements. This list of criteria was used to examine the firms that were chosen to ensure that they met the requirements of having a strong foundation and a significant influence on the economy. The research relied heavily on a number of primary sources, the most important of which were the State Bank of Pakistan (SBP) and the Pakistan Stock Exchange (PSX). This investigation also made use of digital representations from the Sustainable Enterprise Disclosure Project (SECP), as well as annual reports and sustainability reports from companies spanning the years 2014 to 2022.

The information was gleaned from the publicly available financial reports and sustainability reports of the companies that were chosen for the study. The researchers in this study did not contact in any way with the companies or the people that are a part of them, and they relied only on data that was readily accessible to the public. It is vital to perform a detailed investigation of the dataset as well as the method that was used in the study in order to completely comprehend the variables and measures that were used in the regression analysis. This inspection must be done in order to fully comprehend the variables and measures that were utilised. When investigating the connection between CSR and financial results, however, it is standard procedure to account for a number of criteria that have been established in advance.

The relationship between corporate social responsibility (CSR) and organisational performance is investigated by using control variables to account for both internal and external factors. When we include external factors in our analysis, we want to make sure that they have as little of an impact as possible on the correlation between corporate social responsibility and the performance of the firm. Given that the data used in this research came from previously published financial and sustainability reports, the idea of giving one's permission after being fully informed is given very little weight as an important factor to consider. However, while making judgements on how to utilise financial and commercial data, ethical issues, such as the protection of personal information and compliance with statutory and regulatory requirements, must be taken into consideration. In the majority of cases, ethical standards in research are adhered to, in particular when using data that is accessible to the general public. In the section of the report that is dedicated to the study method, any and all relevant ethical considerations should be mentioned and addressed.

VARIABLES MEASUREMENT

CSR

Human rights, state rights, stakeholder rights, community rights, and other rights have all been included in various CSR measuring indices. Indian research developed a CSR index.

Employee training and education, business charitable activities, adoption of a standardized reporting format for accounting, auditing, and the environment, customer trust, and environmental engagement are the five pillars upon which the Korean CSR index rests. To measure CSR, the researcher used the Skarmeas and Leonidou scale, which consists of four components: the socially liable retailer, the retailer's concern for society, the retailer's ethical principles, and the retailer's method of accountability, and presented CSR with consideration for people's propensity for suspicion, refusal to accept, and questions about CSR participation.

For this research, CSR ratings were calculated based on how actively businesses participated in environmental and social causes. This research assessed the businesses' CSR practices and their impact on society, the economy, and the environment. A CSR index was developed in China using 63 factors, including stakeholder rights, worker rights, and human rights, and an objective procedure was carried out. Based on research done in the United States, a CSR index was constructed using the following seven factors as determinants: environmental impact, social responsibility, employee engagement, management diversity, product quality, and corporate accountability. Values for shareholders in the form of earnings per share, value for society in the form of state tax revenues, value for employees in the form of salaries and interest on loans to creditors, and value for other stakeholders, such as the elimination of environmental pollution, all factor into this index.

Firm Performance

According to Shen et al., ROA and ROE are the most useful indicators of the effectiveness of CSR initiatives. Here, we repeated our previous analysis using the same metrics. Return on Assets (ROA) was determined by dividing net income by total assets. Effectiveness in managing and producing assets is shown by this metric. More efficient and effective use of assets, according to Bhagat and Bolton, means more money for shareholders. Return on equity (ROE) was determined by dividing operational income by shareholder equity. The Return on Equity is widely studied in the context of Corporate Governance. As far as measuring the company's efficiency goes, ROE is preferred by shareholders.

Ownership Structure

The ownership structure of an organization is made up of two parts: ownership concentration and ownership. Both of these parts are equally important. The ratio of the top five shareholders is used to illustrate the concentration of ownership, whereas the percentage of total shares is used to illustrate the concentration of ownership held by management.

CEO Power

Like Veprauskaite and Adams, we used a power index to evaluate CEO effectiveness. The executives saw CEO pay as a measure of their influence. Compensation for the CEO was compared to that of the whole board of directors, and the result was used to determine the CEO's relative influence. To identify businesses where the CEO has a lot of sways, we used a quartile distribution. Following the research of Y Li, M Gong, X-Y Zhang,

and L Koh, we assigned a value of 1 to the top 25% of firms in terms of CEO authority and a value of 0 to the bottom 75%.

Control Variables

When it comes to corporate finance, firm size is one of the most important controls you can put in place. Total assets, total sales, and the market value of a stock are the most significant metrics of business size in the literature (cited by C Dang, ZF Li, and C Yang). Empirical research in corporate finance has shown that firm size does affect the findings, but that these effects differ by industry. Although the impact of a company's size is generally beneficial, it may be null or even negative in rare cases. The natural log of the firm's total assets was used as the size metric.

In addition to the PPE ratio, the leverage ratio, and the asset turnover ratio, we employed additional control variables in our analysis. The ratio of PPE to sales is used to determine the level of capital investment. Previous research has favourable correlations that exist between CSR disclosure and profitability, leverage, and size of the company. The level of leverage was determined by calculating the sum of all debts relative to all assets. The asset turnover ratio was determined by dividing total sales by total assets.

RESULTS AND DISCUSSIONS

Each variable has a brief summary in Table 1. Fifty firms will be tracked from 2014 until 2022. As data for 9 years for each firm were evaluated, we divide the years 2014-2018 into the "pre covid" category, the years 2019-2020 into the "covid" category, and the years 2021-2022 into the "post covid" category for each variable. The minimum ROA is 3.7850 and the highest is 3.7850 as well. There is a standard deviation of .25650 percentage points in the ROA number, which brings the mean to .101863212851406. A tenfold increase in assets indicates a tenfold increase in the company's return on those assets. Roe may go up to a maximum of 3.159. Results show that sample firms' return on equity ranges from 0.00 to 3.159. Standard deviation is .256, which equates to a mean ROE of 0.787. This means that the return on equity is six times the amount of equity held by the company's owners. CEO power ranges from a low of 2.733 to a high of 0.141. CEO power is normally distributed with a mean and standard deviation of 1.

Table 1.
Descriptive Statistics for Pre-Covid Era from 2014 to 2018

Variable	Minimum	Maximum	Mean	Std. Deviation	Variance	Skewness	Kurtosis
Leverage	-0.0153	1.515	0.0173	0.0999	0.01	13.94	206.849
PPE	-0.0064	0.3288	0.0179	0.0454	0.002	3.892	18.118
ROA	-0.3262	3.785	0.1019	0.2565	0.066	12.062	172.82
ROE	-23.9389	3.1594	0.0783	1.5747	2.48	-14.376	220.648
TASTR	0	0.77	0.0206	0.0663	0.004	10.023	105.514
Ownership							
Concentration	0.33	6115383	0.7277	0.1526	0.023	-0.914	0.047
CSR	2	5	4.29	0.891	0.793	-1.076	0.25

The range of ownership concentration is 0.03–0.935, with a mean of 0.0727 and a standard deviation of 0.1529. The range of leverage was determined by dividing total

liabilities by total assets; the lowest value was 0.0151, the highest was 1.153, the median was 0.1731, and the standard deviation was 0.9985. In the range of possible values for the PPE ratio (property, plant, and equipment to total assets), we find a low of 0.0064, a high of 0.328, a median of 0.17315%, and a standard deviation of 0.99855%. The range of the asset turnover ratio is from 0.000 to 0.0077, with a median of 0.0205 and a standard deviation of 0.6652.

Estimates of the variables' coefficients are provided in Table 5, which may be found below. You may use this table to establish whether or not CSR and FP are associated with the moderating effects of CEO power by looking at the correlations between the two.

Table 2.
Regression

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	4.986	1	4.986	6.421	.012 ^b
Residual	191.77	247	0.776		
Total	196.755	248			

a. Dependent Variable: csr

b. Predictors: (Constant), ownership concentration

Examination of Hypothesis

The data that were collated and shown in table 2 suggest that there is a considerable connection between the two variables, and the value of the coefficient is 9.29. The value of the coefficient demonstrates that there is a strong relationship between the two variables. a statistically significant and positive relationship with both ROA and ROE performance measures is revealed by the significant and positive at the 1% level with a coefficient value of 2.53; this link was found to be statistically significant and positive. A statistically significant and positive relationship with both ROA and ROE performance measures is revealed by the significant and positive at the 1% level with a coefficient value of 2.53.

Hence, if one takes into consideration all of the evidence and makes the relevant inferences from that data, then it is conceivable to arrive at the verdict that Hypothesis 1 is correct in its assertion that FP would improve as the level of social responsibility rose. The modifications to the FP that were brought about as a direct result of CSR efforts are directly responsible for bringing about the advantages that owners and other stakeholders get from social activities. Consequently, the benefit of investing in social activities is that it will contribute to a favourable return of the market, make net profits rise, and strengthen the stability of overall financial development. All of these benefits come as a result of the fact that investing in social activities is advantageous. Investing in activities that assist the community has several advantages, the most important of which is the fact that doing so is advantageous. As a direct result of this, researchers discovered that there is a positive connection between corporate social responsibility (also known as CSR) and the performance of an organisation.

Table 3.
Coefficients

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
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		B	Std. Error	Beta		
1	(Constant)	3.609	.273		13.238	.000
	ownership concentration	.929	.367	.159	2.534	.012

a. Dependent Variable: csr

Table 4.
Descriptive Statistics for Post-Covid Era from 2019 to 2022

Variable	Minimum	Maximum	Mean	Std. Deviation	Skewness	Kurtosis
years	2019	2022	2020.5	1.1208	-1.364	0.342
leverage	-3.39	68.95	31.5	21.41	-1.264	0.342
roa	0.1741	881.79	397.67	275.44	-1.279	0.342
roe	0.0542	257.26	117.61	78.34	-1.274	0.342
ownership concentration	-5.93	0.87	-0.84	2.21	-0.607	0.342
csr	1	5	3.05	1.41	-1.241	0.342

The variable "leverage" changes a lot, which suggests that the companies in the group use different amounts of financial leverage. The range of values that are acceptable stretches from -68.95 to 68.39. A good predictor of probable disparities in financial structure and risk profile is the significant variance in leverage that exists across entities. When one examines the "ROA" (Return on Assets) with the "ROE" (Return on Equity), one sees dramatic departures from the baseline financial performance indicators. These variances may be seen when further investigation is performed. While the Return on Equity (ROE) may be anywhere from 0.0542 to 257.26, the Return on Assets (ROA) can be anything from 0.1741 to an incredible 881.79. The broad range of ROA and ROE found in the financial statements of the companies that were researched hints to the possibility of differences in the operational efficiency and profitability of the companies. The results for skewness indicate that the distributions of leverage, return on assets (ROA), and return on equity (ROE) are considerably skewed to the left.

This is shown by the fact that these metrics have positive values. This finding provides evidence that these demographics have a disproportionately high number of enterprises with poor value. The "ownership concentration" variable, which may take on values between -5.93 and 0.87, monitors the extent to which enterprises are owned by a limited number of owners. Its possible range of values is from 0 to 5.93. A skewness grade of -0.607 indicates that the distribution of ownership has a tendency to lean to the left. This outcome is consistent with a trend towards greater widespread ownership of assets. The level of dedication that businesses have to fulfilling their social and community responsibilities may be determined by looking at their scores on the Corporate Social Responsibility (CSR) scale, which can range anywhere from 1 to 5. The estimated skewness score of -1.241 suggests that ratings for corporate social responsibility (CSR) seem to be negatively skewed, with a larger concentration of organisations obtaining lower ratings. This is shown by the fact that there is a negative relationship between the mean and the standard deviation.

The data shown above might be used as a starting point for further analysis and the verification of hypotheses. The purpose of the research is to provide light on the dynamic relationship that exists between each of these elements and the level of economic success. The results presented above also have important repercussions for the way in

which we understand the organisational behaviour and strategy relevant to this environment. The estimated coefficients for testing the relationship between CSR and FP and the moderating effects of CEO power are shown in table above. In the Model's descriptive statistics, CSR has a positive value of 1.410, making it statistically significant at the 1% level. According to Model 2, CSR is positively correlated with revenue generation at the 1% level (Coefficient = 0.107).

Table 5.
Regression
ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.345	1	.345	.173	.678 ^b
	Residual	395.155	198	1.996		
	Total	395.500	199			

a. Dependent Variable: csr

b. Predictors: (Constant), ownership concentration

The correlation between ROA and ROE is favourable and statistically significant. According to the findings, therefore, Acceptance of Hypothesis is warranted, as FP will improve with more social responsibility. Because the FP is enhanced by CSR initiatives, the owners and stakeholders get advantages from these endeavours. Accordingly, the benefit of investing in social activities is that it will result in a favourable market recovery, cause a rise in net profits, and bolster the robustness of overall financial growth. Consequently, we conclude that CSR has a beneficial effect on business outcomes.

Table 6.
ANOVA Table

			Sum of Squares	df	Mean Square	F	Sig.
ownership concentration * csr	Between Groups	(Combined)	22.953	4	5.738	1.182	.320
		Linearity	.846	1	.846		.174.677
		Deviation from Linearity	22.107	3	7.3691	517.211	
	Within Groups		947.026	195	4.857		
	Total		969.980	199			

Contradictory findings regarding business size are to be anticipated, given that negative or negligible findings suggest that smaller organisations have greater growth opportunities than larger ones. This is due to the fact that the underlying link between firm size and FP might take on a straight-line shape.

CONCLUSION AND RECOMMENDATION

The results of this study provide a thorough and profound comprehension of CSR and FP in the context of Pakistani business. The major focus of the research is on the effects that the findings have on national businesses and decision-makers. The available research points to a clear connection between programmes including corporate social

responsibility (CSR) and successful financial outcomes. Businesses that engage in community service projects have a better chance of winning over consumers and workers, according to this concept. This research highlights the practical advantages of incorporating CSR, especially for businesses that operate in transitioning nations like Pakistan's.

The disproportionate amount of power that chief executive officers (CEOs) have in owner-managed businesses in Pakistan is an interesting aspect of the country's corporate environment. The fact that the positive association between CSR and FP that has been discovered in this research remains after taking into consideration the influence of the CEO demonstrates that CSR plays a substantial role in the success of these businesses. This study provides more evidence that corporate social responsibility (CSR) activities improve transparency and accountability, two qualities that are critical to the success of a business and the confidence of its stakeholders. This exemplifies both the significance of corporate social responsibility (CSR) in promoting economic success in developing countries and the obligation of the CEO to establish strategic goals and carry them out.

This research aims to examine the link between CSR and management ownership and financial performance. The relevance of management ownership in a company's potential to pursue CSR efforts that lead to great financial performance results is brought into focus by this finding. This discovery demonstrates the relationship between corporate social responsibility and management agendas. As shareholders in addition to their other roles, managers have a financial incentive to ensure that the company as a whole generates the greatest possible profit. These results have important repercussions for firms that are dedicated to improving their performance by putting an emphasis on the advantages of management ownership and placing a priority on the importance of corporate social responsibility.

According to the statistics, high levels of ownership concentration are also related with poor performance in CSR and FP. These associations are not positive. According to the results of the research, high concentrations of ownership are connected with favourable CSR and FP outcomes. When ownership is concentrated, shareholders have a larger desire to participate in corporate social responsibility (CSR) projects since these efforts have the potential to both increase the company's financial earnings and improve the company's image in the public eye. This highlights the need of a transparent and all-encompassing ownership structure that is supportive of activities relating to corporate social responsibility.

This paper examines the implications for public policy of a variety of suggestions for improving corporate social responsibility (CSR) practises in Pakistani enterprises. The contributions that executives make to the advancement of CSR programmes ought to be valued at what they are worth. Because of this, it is necessary to emphasise the significance of their ability to think broadly and their unwavering commitment. In addition to this, it is recommended that businesses adopt CSR policies that are specially adapted to meet the requirements and meet the problems of the regions in which they operate. The use of this tactic should result in an output that is both more powerful and more meaningful. The research recommends increasing employee and community participation in CSR projects as another recommendation. It emphasises the need of having a holistic strategy in order to attain the intended results if one is to be successful.

This underscores the necessity for the government of Pakistan to implement and enforce stronger rules on the actions of corporations in order to guarantee that firms are responsible for the CSR contributions they make. The findings of the research lend credence to the idea that businesses need to be recognised and applauded for being forthright about the corporate social responsibility activities they undertake. With this strategy in place, businesses would have a powerful incentive to raise both their ethical standards and the quality of life in the communities in which they operate. This framework intends to improve CSR activities by making it easier for non-governmental organisations, civic groups, and enterprises to communicate with one another and work together. This demonstrates the level of commitment that everyone has to bringing about great changes in the world.

The results of this research have important policy repercussions for organisations operating in both the public and commercial sectors of Pakistan. This research illustrates how corporate social responsibility (CSR) may be used as a viable long-term business strategy to assist a firm in achieving its goals. In order for this endeavour to be successful, there must first be happy clients, then an increase in social prestige, and finally delighted workers. According to the findings of the study, there is a pressing need for the establishment of a regulatory framework inside organisations that would support and monitor corporate social responsibility (CSR) projects. This, in turn, may contribute to the flourishing of society as well as the sustained growth of the economy. This in-depth analysis explores the connection between CSR and FP, shedding light on the benefits and drawbacks for businesses. In addition to this, it highlights the far-reaching impacts that these results will have in a range of different industries and countries. As a result, it emphasises the need of corporate social responsibility as a necessary instrument for achieving both economic and social success.

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