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Examining the Corporate Social Responsibility: A Dilemma to Influence Financial Performance, Customer Retention and Banking Financial Stability

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Abstract
Corporate Social Responsibility (CSR) is a form of corporate philosophy which implies that firms have a responsibility to contribute to the communities in which they do business. It is the ongoing commitment by a business to behave ethically and contribute to economic development while advancing environmental stewardship and contributing to society. An objective of this study is to present the impact of corporate social responsibility on firm performance, customer retention and financial stability in a single model that represents the association between these variables. Further, the banking sector of Pakistan has been selected as a target population, and t all the employees of different conventional banks are included in the sample frame. However those employees have included in the sample who belongs to Punjab and sindh province. Ultimately convenience sampling was used to collect data due to a larger population size and after deriving the sample size, data has collected from 236 respondents. A significant impact of CSR has been observed to be associated with the all-study variables, based on the findings of this study. Results of the study can provide the framework for policy makers to improve CSR practices for the wellbeing of society and business. A larger sample and a different methodology may be used in future studies to obtain the results that can generate new insights.
Keywords: Corporate Social Responsibility, Financial performance, Customer Retention, Financial Stability

1. Introduction

Corporate social responsibility (CSR) is a responsibility that a good company can have and that can be exercised by moral means. CSRs concepts are related to the purpose of the firm and are directed towards the environment in which it operates the community in which it lives and the country in which it has been established. CSR has been designed to create a sustainable society and business. It is considered an alternative expression of ownership and profitability in relation to social responsibility as an integral part of corporate culture (Aagaard, 2022). Corporate Social Responsibility (CSR) is a concept that permeates all facets of society and came to the forefront with globalization. It revolves around ideas like eco-friendly production processes, equitable treatment of stakeholders, ethical trade practices, and sustainable consumer habits. Research in this area has consistently shown that CSR efforts can lead to improved market standing and enhanced financial returns. Such initiatives are known to influence customer contentment, bolster employee morale, enhance brand equity, and foster a positive public perception of corporations (Mitra, 2021). In the service sector, especially, the emphasis on CSR is becoming increasingly critical. A company's revenue is closely tied to its ability to maintain its customer base; therefore, the loss of even a single customer can have far-reaching implications for both immediate and future profits (Waweru & Karihe, 2021). Moreover, in saturated markets, it is often more cost-effective and simpler to retain current customers than to acquire new ones (Islam et al.,2021). "Corporate Responsibility is the responsibility of an organization for the impact of its decisions activities on society and environment, though transparent and ethical behaviour that a) contributes to sustainable development, health and welfare of society; b) takes into account the expectation of stakeholders; c) is in compliance with applicable law and consistent with international norms of behaviour; and d) is integrated though the organization and practised in its relationships" (Blowfield and Murray, 2011). Jones Christensen, Mackey, and Whetten (2014) in their various theories of corporate social responsibility, highlighted the commercial benefit of CSR. These two definitions focus strongly on the value-added advantage to the company, particularly in the context of translating social programming into a sample of companies. Levitt (1958) made a contribution to this concept when he recommended corporate social responsibility (CSR) as a kind of added value, namely through using employee compensation as a means of attracting and retaining a highly educated staff. Consequently, corporate social responsibility (CSR) is neither a product of social responsibility nor a set of morally derived behaviours, nor is it a counterforce to the critical by-products of business; rather, it is an advantage for organizations to increase their own bottom line through increased profits. CSR is twisted into another aspect of the firm's profit generating in this instance.

Advocates of Corporate Social Responsibility (CSR) assert that for a business to prosper, it must clearly articulate its societal role and commit to upholding ethical, social, and legal principles (Mayorova, 2021). Companies engage in

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CSR to strategically position their brand, enhance their profitability, mitigate risks, and improve customer loyalty. By positioning themselves as responsible corporate entities, these corporations aim to generate positive sentiment and establish enduring connections with their clientele. CSR manifests through comprehensive organizational policies, practices, and activities that shape a company's operational excellence, influence its strategic choices, and affect its various stakeholders. In response to the increasing expectations of stakeholders, such as customers, investors, and employees, organizations are progressively integrating CSR into their core business strategies (Afiuc et al., 2020). Financial and non-financial performance (e.g., social performance within the organization) is both important to a company's long-term success. Unlike traditional finance, which focuses on the company's profit maximization theory, CSR presents a current and stakeholder-oriented organizational paradigm (Ramzan,Amin and Abbas, 2021). Many businesses use CSR as a way to communicate their awareness and commitment to society and the environment while also building and preserving relationships with customers, employees, the general public and other parties interested in the company's activities (Rasyid, 2023). Over time, corporate social responsibility programs have evolved into a wide range of activities that do not only benefit customers, employees and communities but also address potential risks and helps the business avoid reputational damage. CSR is still important in today's economy, due to this evolutionary trend. Few scholars discussed the financial stability with CSR. however, np clear link has been examined in banking sector (Rhou et al.,2016). Recent research indicates that corporations are increasingly prioritizing their Corporate Social Responsibility (CSR) initiatives. This heightened focus on CSR is evident in contemporary studies that report a surge in attention towards these responsibilities. While various articles have explored the synergy between CSR and business performance, the findings in this realm remain somewhat ambiguous (Pfajfar et al., 2022; Ye & Dela, 2023).

Many businesses use corporate social responsibility (CSR) as a way to address the adverse effects of their operations on their employees and the communities in which they are located. (Ali et al., 2020). Corporate social responsibility is a phrase that describes a company's ongoing duty to enhance societal welfare through creating long-term benefits for stakeholders. When companies use corporate social responsibility to support their strategic goals, they are more likely to succeed both financially and socially than companies that do not. Researchers have studied the relationship between CSR and company success in various situations. Though, Pakistan is a developing country yet business has a major impact on the economy. Few studies are also conducted in Pakistan regarding association of CSR with Financial performance and it was evident from those studies that CSR put impact upon the financial performance positively. Similarly, positive connotation can be observed between these variables (Hussain, Bashir and Hussain, 2020). Previous studies have not been conducted to determine the impact of CSR on FP in conventional banks of Pakistan as well as to look upon the customer retention and financial stability at this level. Consequently, this study aims to bridge this gap and contribute further to the body of existing research (Hussain, Bashir, and Hussain, 2020).

Researchers have concluded that in the absence of reliable financial enterprises, a country's financial stability cannot exist. Many companies are engaged in CSR after realizing that companies are more robust and live considerably longer than companies without investing in CSR (Galdeano et al., 2019). Previous studies on CSR have focused only upon financial performance but ignored the CSR impact on financial stability particularly on the conventional banks in Pakistan and there is insufficient literature available overall on the existing variables. To remove this gap, the purpose of this research model is to investigate the influence of CSR on company performance customer retention and financial stability.

2. Literature Review

2.1. Corporate Social Responsibility

Several business organizations have taken steps to better society, even though they were not legally required to do so. Corporate Social Responsibility (CSR) is any activity that a company performs to have a positive impact on society or the environment. It is often perceived as an additional activity or responsibility, making companies and employees extra work, but it can be done in a way that is beneficial to the firm's objectives and results as well. Moreover, this perception proves wrong. This strategy also helps firms gain customer loyalty. The idea of corporate social responsibility is based on the notion of triple bottom line: people, planet and profit, hence it goes beyond a simple donation or sponsorship; CSR includes everything from ethical advertising campaigns by Goodwill to Starbucks' fair trade coffee initiatives; from eco-friendly materials in Nike's running shoes to Dell's successful system of third party recycling.

CSR can be applied for a variety of purposes based both on the different definitions and theories of CSR, depending upon the results a firm is looking to achieve. CSR can serve a number of purposes, including positioning the brand in the eyes of consumers and other stakeholders (Araújo et al., 2023). CSR initiatives play a crucial role in promoting the growth and development of companies globally. Business practices have a direct or indirect impact on employees, society, the community, and stakeholders, making these groups the focal point of CSR efforts. Additionally, the engagement and interests of stakeholders are instrumental in enhancing a firm's financial outcomes, as it is the customers and stakeholders who drive business operations and ensure financial solidity (Sameer, 2021). To investigate this further, scholars have combined the stakeholder theory with the resource-based view (RBV) of firms, suggesting a networked approach to managing stakeholder relationships (Freeman et al., 2021). Additionally, the study in question delved into how an organization's relationships with its stakeholders relate to its superior performance, with a special focus on the role that competitive advantage plays within this dynamic. The study's findings highlighted a meaningful link between these factors (Kull et al., 2016).

Prior research on CSR has identified innovators as pivotal in enhancing corporate performance and advocating for these practices globally. A meta-synthesis study explored the relationship between CSR and corporate performance. In-depth analysis and in-depth review were conducted to collect data from selected journals. The higher education sector was the target population for the study and 15 academic journals were used to extract the data from 2000 to 2015. Based on the discussion, it was concluded that CSR strengthens a company's community reputation, which could result in increased competitiveness. Results of the study presented the strong association between CSR and corporate performance of organization (Larrán Jorge and Andrades Peña, 2017).

The notion of corporate reputation is a multi-stakeholder concept that is represented in the impressions that stakeholders have with a company. In a research paper, a literature review examining the relationship between corporate reputation and corporate social responsibility was presented. This was followed by a reputational quotient implementation on a sample of Italian firms. Results indicate that the relationship between them is favorable and that corporate responsibility can be used to manage reputation. Corporate reputation remains an intangible, however, and so measuring it remains a challenge. Because of this, it is difficult to calculate how much a company will gain from improving the perception of its various stakeholders. Research on this topic remains an open question that can be addressed in future studies (Ortiz-Avram et al., 2018).

2.2. CSR and Financial Performance

The financial performance of a company can be assessed by looking at its assets, liabilities, equity, expenses, revenue, and overall profitability. Various calculations are used to precisely quantify the company's operational efficiency (Bir et al., 2022). Financial performance can be evaluated using a variety of methods; accounting measures have been used 49 times; the economy can be monitored in a variety of ways; five quantified outcomes incorporate accounting and market indexes, and the remaining four measured performance outcomes are used to assess corporate social responsibility (CSR) and it was suggested to implement CSR measures to boost financial performance and to stabilize the financial accounts (Rawhouser, 2019).

The study on the moderating role of CSR on market orientation datasets demonstrated that, while CSR moderated the relationship with consumer orientation and financial performance of businesses, it did not moderate the relationship among competitive orientation inter functional coordination and performance (Brik et al., 2011). As a result of a CSR strategy, companies can reduce environmental costs and improve their corporate reputation, which has a positive impact on their FP. According to Sandhu (2011), decreasing environmental costs can increase capital, and a higher level of sustainability can lower capital costs. By using resources more efficiently, financial performance improves. Additionally, increasing the reputation of a company can increase value, and it can make replication by competitors harder. Researchers have found that firms with good reputations can sustain superior profits over time. Only a few papers have examined the relationship between corporate social responsibility and profitability. Numerous published works have tackled issue explicitly. As notably, Wu and Shen (2013) examined social responsibility, corporate performance, and motivation in a large sample of multinational financial institutions and found the relationship among CSR and FP. (Wu and Shen, 2013). Furthermore, several drawbacks have emerged from numerous empirical studies focused on strategic planning for corporate social responsibility (Liu & Wu, 2018). Although the study by Cui et al. (2018) identified a link between corporate social performance and business success, companies often struggle to accurately measure these activities. Consequently, additional research is needed to uncover other elements that, in conjunction with CSR, contribute to financial performance (Maas, 2018).

2.3. CSR and Customer Retention

Consumer behavior, business performance, and ultimately, CR have been found to be linked to CSR (Ali et al., 2020; Tarus 2015). According to Green and Peloza's (2011) findings, customers tend to judge CSR initiatives of a company depending on personal preferences and cultural factors. There are many ways in which companies can express that they genuinely care, but only if they do it in a way that resonates with consumers. There is no one-size-fits-all approach to corporate social responsibility (CSR). Consumers must be given something in return for their support of companies that contribute to sustainable development. Recent research indicated that corporate social responsibility (CSR) has a powerful impact on customer retention by incorporating brand attitudes, service quality, and customer satisfaction in addition to the moderating effect of brand love. Structural equation modelling with covariance was used to examine the replies of 313 participants.The results showed that economic, ethical, and philanthropic CSR play a significant role in improving brand attitudes and service quality. Additionally, these relationships improved customer retention. A moderate association between brand attitude and retention was also found to be moderated by brand love (Lee et al., 2020)

A study examined the effect of CSR on customer attitudes and retention. Data was collected by conducting a survey and responses of 1375 customers were received from 93 brands in 18 industries through structured questionnaire. Additionally, data was analyzed by applying the regression model. Moreover, as per the findings of the study, it was concluded that CSR has a favorable and significant impact on retaining customers and their attitudes (vanDoorn, Onrust, Verhoef and Bügel, 2017). Several Studies reflected that increased financial success often leads to increased levels of public as well as customer engagement. Using meta-analytic structural equation models, a study on the service-profit chain has shown that internal service quality relates to customer services beyond employee satisfaction, and that customer service helps to retain the customers for long term. Also findings of the study reflected that customer relationship characteristics play a vital role in determining customer satisfaction. The research indicates that maintaining a loyal customer base is essential, and businesses should focus on enhancing employee satisfaction and the quality of external services to improve their performance (Hogreve et al., 2017). Van Beurden and Gössling (2008) acknowledged that their review of the literature revealed a 68% inclination towards a positive view of CSR, noting, however, that a mere 6% of the studies reviewed showed a strong correlation between CSR efforts and business success.

2.4. CSR and Financial Stability

Financial stability has been examined extensively as just a macroeconomic indicator of a country's financial position (FP) in the financial literature. Studies such as those by Chollet and Sandwidi (2018), for example, look at financial risk in the banking industry, as well as the relationship between CSR and financial risk. Researchers examined the relationship between financial risk and corporate social responsibility (CSR) of firms. Researchers have discovered in this study that a company's excellent social conduct reduces its financial burden when measuring it using proxies such as corporation risk measurement, systemic risk measurement, and relative risk measurement. Drawing on data spanning from 2008 to 2017, a contemporary study investigated the impact of corporate social responsibility on financial stability. The study relied on secondary data and utilized correlation and regression analyses within SPSS to conduct its examination. The results suggested that CSR had a positive influence on all assessed variables. Nonetheless, it was found that high levels of debt can undermine financial inclusion and stability, and that there is a negative relationship between financial inclusion and the tangibility of assets (Ramzan, Amin, and Abbas, 2021).

2.5. Stakeholder Theory

In the era of globalization, the concept of corporate social responsibility has evolved as an integral part of business operations. It is a concept that organizations may adopt voluntarily. Social and environmental components of a corporation are integrated into its operational activities according to CSR theory, and stakeholder theory emphasizes the relevance of performing corporate operations while taking into account the greater societal advantages (Dmytriyev e al., 2021). In a lot of respects, stakeholder theory was destined to be a watershed moment. It allowed for the identification and prioritization of significant concerns, which in turn allowed for the creation of a framework for

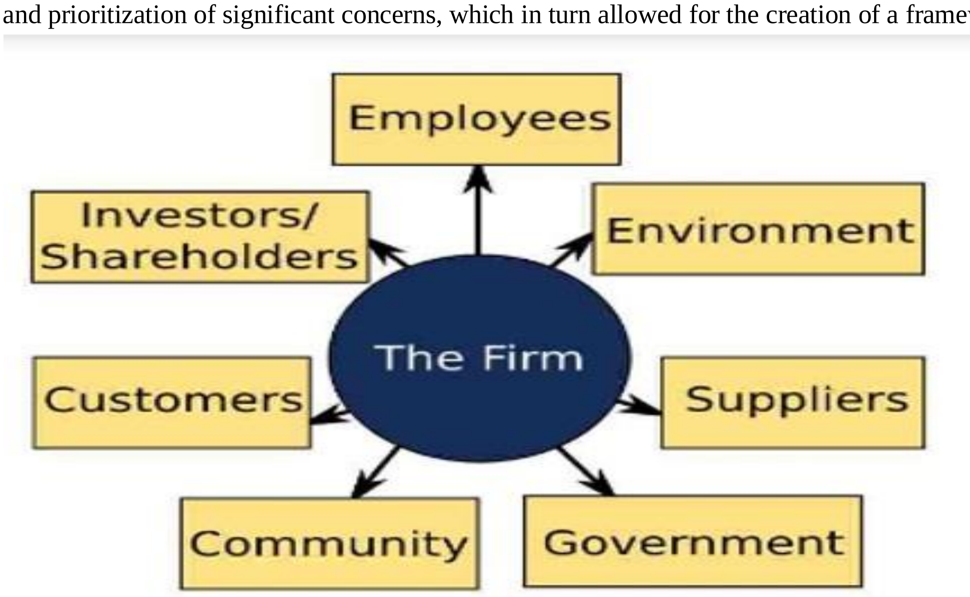

Figure 1: Stakeholder theory of CSR (Jansson, 2005)

measuring corporate social performance (CSP). This eased the door for experimental studies, since it had previously been difficult to measure the amount of corporate social responsibility (CSR) activity carried out by businesses. To provide an example, Moskowitz (1972), in the first study intended to analyze CSP, merely chosen corporations on the premise that they were believed to normally get favorable news coverage on social concerns in the broader public. Stakeholder theory highlights the importance of corporate collaboration with a variety of stakeholders, including investors, consumers, workers, and suppliers, among others, as depicted in the picture below (Stoelhorst, 2021).
The stakeholder approach to business emphasizes creating value for all those people who are affected by an organization's actions and decisions, rather than just the shareholders. The approach holds managers accountable to the various stakeholders for safeguarding those interests. Additionally, the corporate social responsibility of employees can beneficial for the customers and shareholders as well as owners also. As good service enhanced the financial performance and retain the customer also. Similarly, Stakeholder theory demonstrates that the perspectives of important stakeholders have an influence on the performance of a firm's strategic initiatives (Greenwood and Mir, 2018). The participation, expertise, know-how, and loyalty of various stakeholders are essential for achieving CSR goals. The stakeholder group plays a critical part in the success of CSR initiatives (López-Concepción et al.,2022). As shown in Figure 2, the group's participation is responsible for the success of CSR initiatives

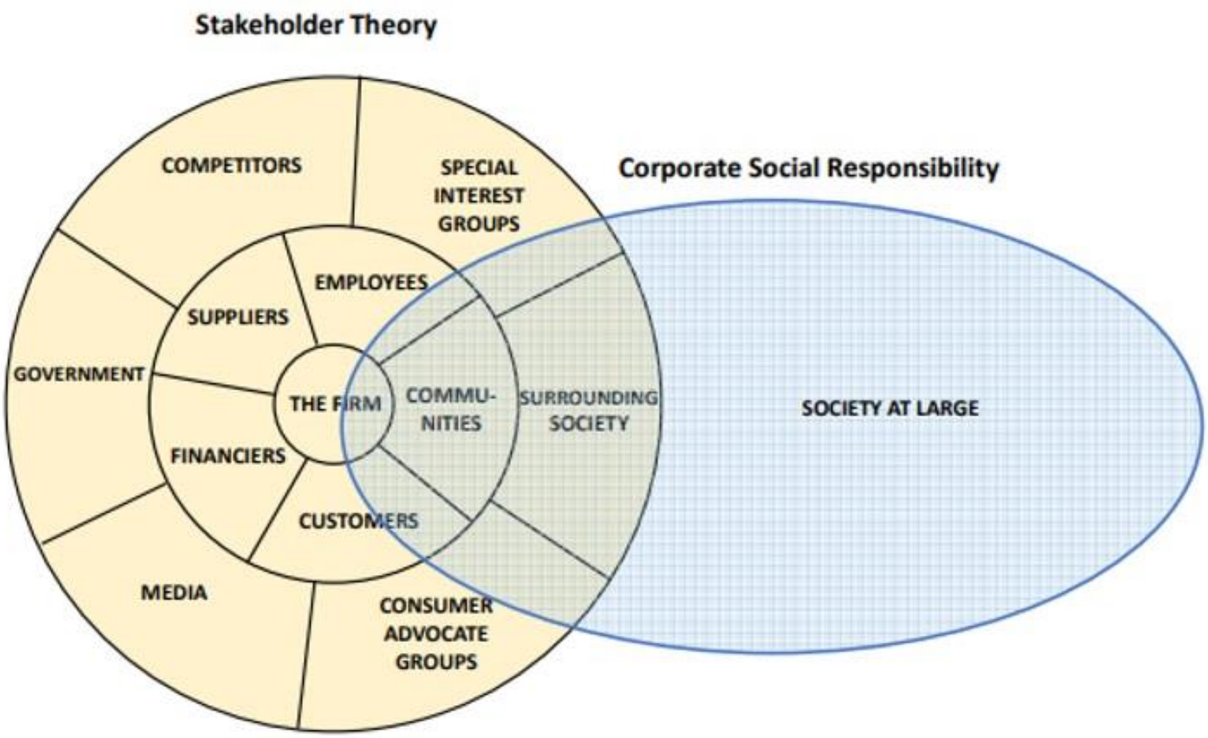

Figure 2: An examination of the relationship between stakeholder theory and CSR (Freeman and Dmitriev, 2017)

According to Freeman and Dmytriyev, 2017, CSR emphasizes the value of benefiting society as a whole while stakeholder theory refers to value creation between businesses and their various stakeholders.Through alignment of CSR with stakeholder theory, companies can create the maximum value in terms of societal development, improved employee morale, increased sales and profits, and satisfied customers (Nikolova & Arsić, 2017).So, CSR is central part of corporate responsibility that involves the participation of stakeholder groups in order to be successful.
Over time, the scope of CSR has evolved, and now it is an inclusive term that involves multiple stakeholders, as well as optimizing strategies for a more ethical and sustainable business model Customers are increasingly aware of how products affect society and the environment; thus, businesses must take these factors into account in order to provide superior customer service. Due to the dearth of understanding and clarity on CSR efforts and their long-term benefits between multiple stakeholders, particularly workers, shareholders, the public, and consumers, numerous organizational initiatives, and duplication of work executed by large corporations (Tworzydło, Gawroński & Szuba,

2021). This causes confusion as well as poor financial performance hence it is necessary to properly get aware about the CSR initiatives and implementation in the organization(Księżak, 2016).

2.6. Social Exchange Theory

The application of Blau's (1964) theory of social exchange to the subject of corporate social responsibility is discussed (CSR). According to this idea, corporations that participate in CSR projects may obtain good assessments as a consequence of a probable halo effect and the desire to balance the disequilibrium that results in the social exchange process. It is fair to anticipate that those who gain from CSR activities – for example, consumers – would stay devoted and loyal to the companies that provide them in order to preserve equilibrium in their social exchange relationships (Di Domenico et al., 2021).

As per the above literature it, following hypothesis are prepared:

- It is likely to say that there is an association between CSR, financial performance of the business, customer retention and financial stability of the business
- CSR impact on financial performance of the business
- CSR impacts on customer retention
- CSR practices impacts on the financial stability of business

Research model for the above hypothesis is mentioned below in Figure: 3

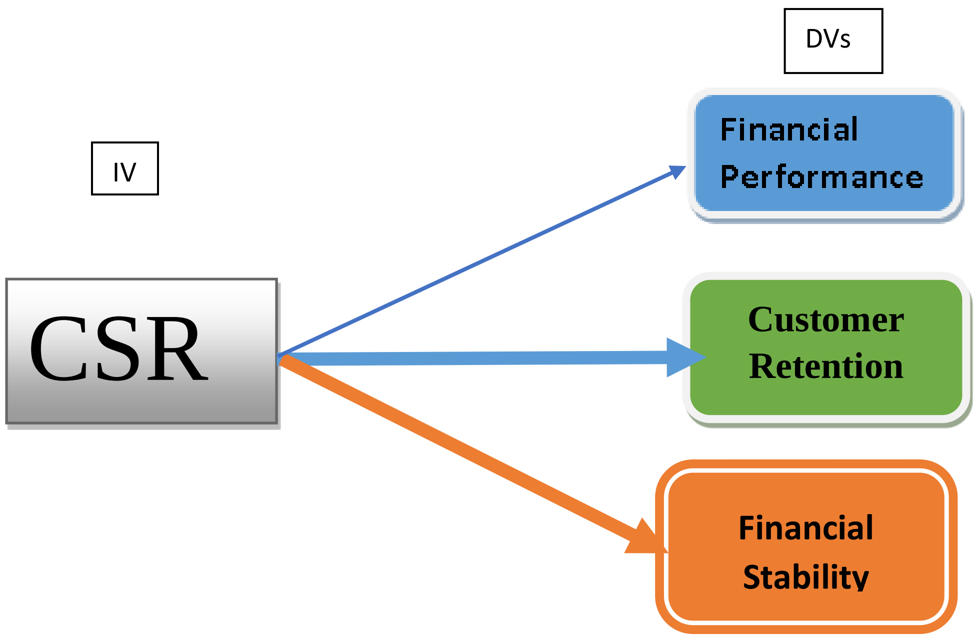

Figure 3: Research Model or Conceptual Model

3. Materials and Methods

The research paradigm used in this research is positivist and supports the view that reality is quantifiable the positivist paradigm has empirical nature of study and empirical hypothesis testing takes place therefore we have selected this paradigm for our research (Park et al., 2020). Positivist research paradigm is based on objectivity and supports in comprehension of observable facts.Unlike the interpretivist approach which is qualitative and believes that there is no pre-existing reality. The positivist paradigm believes that there is one single reality which cannot be influenced by the researchers therefore it is recommended to use the positivist approach in our research because it because it has less biasness and errors (Alharahsheh & Pius, 2020).

According to Saunders et al. (2017), numerical data is required to test hypotheses and meet research objectives therefore we have conducted quantitative research in this thesis. In positivist research paradigm, quantitative numerical data is collected and analyzed through statistical tools (Singh, 2019). As the research being carried out consists of real factual data and empirical epistemology, quantitative study is the appropriate choice.

In this research, the target population consists of employees working in banking sector of Punjab Pakistan. Since it is not feasible to conduct the study in all the Banks of Pakistan .so, we have segregated the three populous city of Punjab such and selected the six conventional banks within this area area. Convenience sampling is used to obtain responses from the employees working in those banks. Data is collected by using Qualtrics. Convenience sampling technique is adopted due to the aforementioned benefits such as easy reach, convenience, cost saving and prompt nature of this sampling method (Stratton, 2021). Also because the staff of Banking sector have busy schedule and they are not frequently available at the time of data collection, convenience sampling is the most adequate choice. The population of the study is comprised of 1100 respondents (top level managerial employees) working in the banks that we have taken for the study variables. Sample size is determined by using the Yamane (1967) formula n= N/ (1+N (e) 2

$$n = \frac{1100}{1 + 1100 * (0.05)^2} = \frac{1100}{3.75}$$

$$n = 293.33$$

Additionally, Out of 293 employees the real data has collected from 236 employees that comprise of actual responses that has collected. To collect the data from the desired population questionnaire has been used and survey has been conducted online on Qualtrics.

The structured questionnaire has been adopted on Five point Likert scale that begins from strongly disagree to strongly are to analyze the responses for the variables of Corporate Social responsibility, financial performance, Customer retention and financial stability of the desired sector by using the scales of (Wamiori, Namusonge & Sakwa, 2016; Jaakson, Vadi & Tamm, 2009 ; Blalack , 2016 ; Alireza Nili, 2010).Moreover, cross sectional time horizon has been used to collect data for testing the hypotheses.

.In addition, in terms of research design ,a descriptive research design is used when the aim of study is to express and characterize a certain phenomenon and it is decisive and quantitative in nature. It is a structured research design which is used in order to characterize opinions and behaviors of a population using close ended predetermined questions. Therefore, since this research is quantitative in nature which studies causal relationship between variables research have chosen a descriptive and explanatory research design.

Moreover, Data is collected using survey technique. Questionnaires on 5 points Likert scale ranged from (1=strongly disagree to 5=strongly agree) are distributed among the employees of conventional banks and 40 banks are included in the population on the base of convenience. However managerial and non managerial employees are included in the targeted population.. SPSS and AMOS version 24 has been used for the statistical analysis and interpretations as a supporting tool (Sebjan & Tominc, 2015)

4. Data Analysis

4.1. Reliability of the Measures

It illustrates accuracy and stability of the scale used to measure a concept (Sekaran, 2016). The scale represents that the items are not biased and are related independently by measuring similar concepts (Sekaran, 2016). Cronbach's coefficient of alpha is one of the most widely used test of scale reliability (Sekaran, 2016; Field, 2013). Scales with an alpha close to 1 are considered more reliable. Thus, in this study, Cronbach's coefficient alpha was calculated to determine the internal consistency reliability of all scales. In the present study, we considered scales with an alpha value above .60 to be reliable following Murphy and David (1988) and Sekaran (2016) see Table no 1.

Table 1: Reliability of the Scales

Scale	Alpha	Number of Items
Corporate Social Responsibility (CSR)	.899	04
Financial Performance	.935	05
Customer Retention	.927	04
Financial Stability	.791	05

4.2. Normality of the Data

Data were expected to be normally distributed based on skewness and kurtosis values. Values of skewness and kurtosis have been observed and that were in accordance with the desired range (Demir, 2022).

Table 2 has presented the values of the study scales.

Table 2: Data Normality

Scale	Skewness Statistic	SE	Kurtosis Statistic	SE
CSR	.030	.148	-.198	.295
Financial Performance	-.154	.148	-.133	.295
Customer Retention	-.267	.148	-.086	.295
Financial Stability	-.244	.148	-.267	.295

4.3. Confirmatory Factor Analysis (CFA)

The fitness of a model with a data set is determined by numerous statistical tests. Holmes-Smith (2017) recommended that most of the indexes should be considered as absolute fit, incremental fit, and parsimonious fit (Chong, Nazim & Ahmad, 2014) Following Hair et al. (2013) only those error terms were correlated whose modification index (MI) values were high i.e., 4 and above (Figure 4).

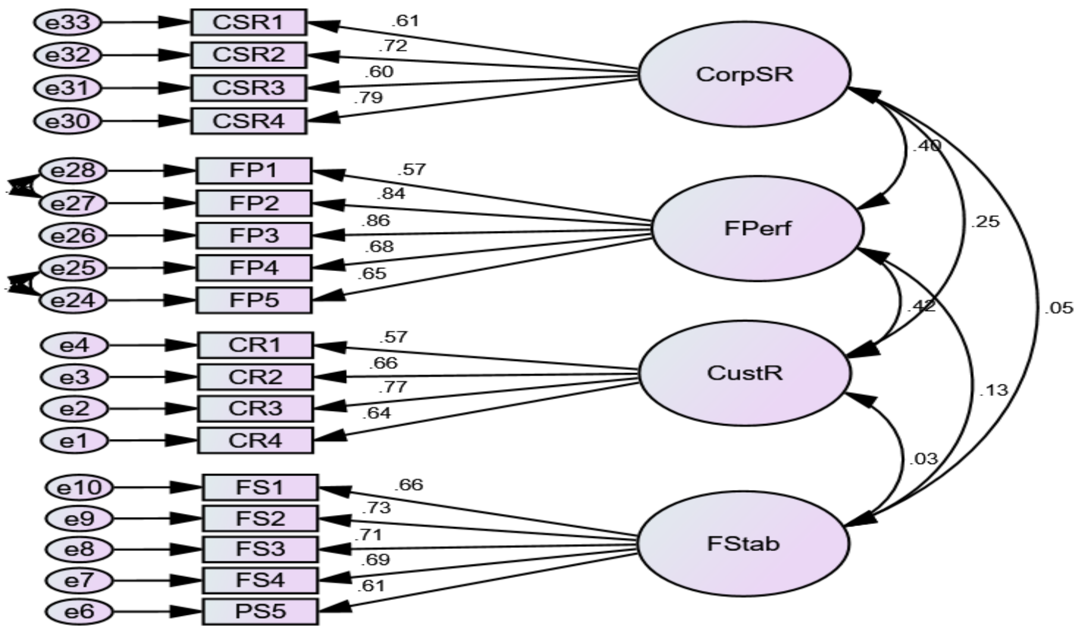

Figure: 4 CFA-Graphic Models

To assess the suitability of the four-factor model (CSR,FP,FS,CR), CFA was performed. Which showed the good fit [X2(215) / df(127) = 1.69, CFI = .949, TLI = .939, RMSEA = .051, RMR = .035] between the measurement and the data collected, only TLI was marginally below the criteria (Table 2).

Table 3: CFA Model Fit Results

Index	Criteria	Literature	Result
Chi2 / df	< 5	Marsh and Hocevar (1985)	215 / 127 = 1.69
RMR	< .08	Hu and Bentler (1999)	.035
RMSEA	< .08	MacCallum et al. (1996)	.051
CFI	> .90	Bentler (1990)	.949
TLI	> .90	Bentler and Bonett (1980)	.939

4.4. Descriptive Statistics

To begin analysis, it is necessary to first get a feel for the research data (Sekaran, 2016). There are several methods for finding the feel for data: (a) descriptive statistics, (b) means (M) and standard deviations (SD) for each study variable, (c) correlations between study variables regardless of the study hypothesis (Sekaran, 2016).

4.5. Gender, Age Group and Employment Statistics

Age and employment groups of employees that participated in the survey process are shown in table 2 and table 3. As per age group, employees of above 3o0and below 30 was taken from whom the data was collected and there were 75 female and 161 females who have responded out of 236.

Employees were classified into upper middle and lower middle level groups. In the upper level of employees, there were 12 females and no males responded there. However, 24 females and 69 males were included in the lower level. Additionally, there were 39 females and 92 males in the middle level of employment. Female participation in all employment levels was 32.4%, and male participation was of 68%.

Table 4: Age Groups

Gender	Below 30	Above 30	Total
Female	64	11	75
Male	149	12	161
Total	213	23	236

Table 5: Employment Groups

Gender	Upper level	Lower Level	Middle Level	Total
Female	12	24	39	75
Male	0	69	92	161
Total	12	93	131	236

4.6. Mean (M) and Standard Deviation (SD)

To evaluate how well the scales and measures tap the relevant concepts, M and SD were computed for four study variables in accordance with Sekaran (2016). Table 4 gives the results of the means and SD calculations.

4.7. Correlation

This research computed an intercorrelation matrix of variables to determine how variables are associated to each other. Correlations between study variables indicate how well they are associated with each other, that is, if there is a linear relationship between these variables (Sekaran, 2003; Field, 2009). An observed effect is measured by the Pearson correlation coefficient, whose value ranges from -1 to 1 (Field, 2009). Positive correlation is indicated by a +1 value, while negative correlation is indicated by a -1 value (Field, 2009). In contrast, if the value of the coefficient is 0, then there is no linear relationship between the two variables (Field, 2009). Considering the estimation of effect scales, Field (2013) proposed that a value of ±.1 represents low, ±.3 represents medium and ±.5 represents large effect size. The correlation results of this study were also evaluated in accordance with Sekaran (2003)'s suggestion that $p < .05$ is a level of statistical significance widely accepted for social sciences. Statistically significant correlations exist between all study variables as per the Hypotheses. (see Table 6).Hence **Hypothesis 1** has been approved.

Table 6: Means, SD and Correlations

Sr.	Scale	Mean	SD	1	2	3	4
1	Corporate Social Responsibility	3.87	1.19	-			
2	Financial Performance (FP)	3.96	1.19	.243**	-		
3	Customer Retention (CR)	4.13	1.12	.362**	.340**	-	
4	Financial Stability (FS)	3.64	1.04	.330**	.384**	.372**	-

N = 236, ** p < .001

4.8. Regression Analysis

Based on preliminary analyses, we concluded that all study variables were distinct but correlated, so we proceeded to test other hypotheses by doing linear regression analysis. The tests were conducted using SPSS 21. Relationships between variables are determined by regression analysis. An investigator determines the causal effect of one variable upon another in this (Olive, 2005). In Table-7, Regression analyses of the main effects of CSR on FP, CR, and FS are presented below. Table 7 also reflected that CSR is also positively related with FP($b = .224$, $p < .001$).This has supported our hypothesis

Table 7: Regression Analysis

Variable	FP		CR		FS	
	Beta	P-value	Beta	P-value	Beta	P-value
CSR	.348	.000	.213	.000	.224	.000

According to the results of linear regression it is revealed that CSR was positively related with FP ($b = .348$, $p < .001$). This has supported our Hypothesis 2. According to the Table -7 it has been concluded that CSR is also positively related with CR (($b = .213$, $p < .001$). This has supported our hypothesis 3 as given below in table 8.

Table 8: Status of the Hypotheses

Hypothesis	Description	Result
H1	It is likely to say that there is an association between CSR (corporate social responsibility, FP(financial performance)of the business ,CR (customer retention)and FP(financial stability) of the business	Supported
H2	CSR impact on financial performance of the business	Supported
H3	CSR impacts on customer retention	Supported
H4	CSR practices impacts on the financial stability of business	Supported

5. Findings

This study is conducted to test (1) the correlation or association among CSR, FP, CR and FS; (2) the impact of CSR on FP; (3) the impact of CSR on CR; (4) and the impact of CSR on FS . This study has conducted after the financial risk and pandemic circumstances that have revolutionized the business economies and financial image. To accomplish the study's aims, four hypotheses are developed based on a detailed theoretical foundation and systematic literary study. Statistical tools are used to test the hypotheses. The variables were adequately covered in past research at an individual level, but there was no research combining these variables. According to the existing theory of CSR and previous studies, this study is based on positivist philosophy. The study variables are assessed by structured questionnaires with four sets of scales. Scale of Jaakson, Vadiand Tamm (2009) has used for CSR, Wamiori et al. (2016) for FP, Nili (2011) for CR and Blalack & H.M (2016) for FS.

6. Theoretical and Practical Implications of the Study

The study will enrich the existing literature on corporate social responsibility, and other studies may use its results to conduct similar or different studies on the same topic in the future. This study demonstrates that a good CSR strategy cannot succeed without the support of stakeholders' attitudes towards it. Bank managers should strive to involve their employees in social practices in an effort to increase financial performance and customer retention; if employees are socially engaged, the performance of the company will increase, which will increase customer retention. Such a change will also impact financial stability. Moreover, this study will aid financial managers in formulating effective policies to enact corporate social responsibility initiatives. Additionally, adopting financial strategies to sustain performance and ensure financial stability is vital, which can include incentivizing employees to engage in CSR activities. Ultimately, this approach will contribute to customer retention and bolster financial steadiness.

7. Conclusion

Major Objective of this study was to analyze the combined influence of CSR, FP, CR and FS and the association between them in the conventional banking sector of Pakistan. Results of the study reveals that there is a significant and positive association between all the study variables and CSR has a strong and positive impact on the dependent variables of the study. This concludes that the organization such as banks in Pakistan particularly conventional banks follows the practice of corporate social responsibility that leads to improved financial performance, customer retention and financial stability even in economic slump. However, there are few limitations that can be included in another study for different results and findings. Both authoritarian leadership and emotional intelligence have significantly positive and negative effects respectively on workplace incivility. It is also found that emotional intelligence also moderates the relationship between authoritarian leadership and workplace incivility. The results of present study identify that authoritarian leadership instigates the incivility at the workplace.

8. Research Limitations

Regardless of the fact that the outcomes of this investigation are consistent with the theoretical premise based on an adequate literature assessment, the results of this study are not conclusive. Although there are certain limitations to this study, it is important to keep them in mind when interpreting the results. As opposed to a longitudinal study, this cross-sectional study does not provide conclusive evidence of causality. To strengthen the findings of past financial management research, future studies should utilize a longitudinal design. Study constructs are tested using quantitative method technique only. However, mixed method technique or qualitative method technique may also be used. As the data used in present research is collected from Punjab only, and scope of the study is also focused on Conventional banks of Pakistan. Non-conventional banks are not considered while they could form a larger sample set. Only top level of has focused for data collection purpose, however lower or middle level employees may also be considered in future to get different results. Convenience sampling has been used due to a larger set of population. however more larger sample size may be selected for different sampling technique and for whole population of Pakistan. As larger sample may produce different results and influences the research outcomes (Faber & Fonseca, 2014).

9. Recommendations for future studies

Following recommendations may be provided for future studies:

- Researchers could use longitudinal designs to overcome the limitations of cross-sectional designs, thus ensuring that results are consistent with previous periods or are different.
- A mixed method approach might be used in the future, such as adding qualitative analysis to the quantitative analysis as part of the overall design. This will validate and supplement the survey data collected by purely quantitative means.
- It is possible in the future to replace primary sources of data, such as peers, in order to gain deeper insight into study variables.
- Mediators or moderators may be added to further studies to obtain different results.
- Other studies may take a larger sample size for different results and directions.
- Research findings also have implications for policymakers, since they can implement such policies so that other sectors can adopt CSR practices, including banks.
- Managers should be aware of social practices when choosing and assigning duties to employees.

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