THE IMPACT OF SOCIAL RESPONSIBILITY ON FINANCIAL PERFORMANCE: EVIDENCE FROM ROMANIAN COMPANIES

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Abstract
This study aims to assess the impact of corporate social responsibility (CSR) on the financial performance (PF) of Romanian companies to provide a practical framework for measuring the performance of companies. The financial performance of the company considered as a dependent variable was established through accounting measures (ROA, ROE, ROIC, EPS), liquidity measure (current ratio), and market-based measure (PBV). Based on a regression analysis, the results showed that CSR positively influences EPS but has no influence on ROA, ROE, ROIC, and PBV. The variable CA/ANG had a negative influence on ROA in the first model, a negative influence on ROE in the first model (where the total number of employees represents the size of the company and the ratio Long-term debt / Equity ratio represents the debt). In addition, CA/ANG had positive in the second model (where the total assets represent the size of the company and the ratio Total debt / Equity represents the debt), a negative influence in the two models of ROIC, and a positive influence on the PBV. Concerning size measures, the total number of employees positively influences ROA and PBV. For debt, the variable DT_CP has a negative influence on ROE and ROIC while the variable DTL_CP positively influences ROIC and negatively the PBV. The two models where liquidity ratio was used as the dependent variable were not statistically validated.

Keywords
Corporate social responsibility, financial performance, accounting-based measures, market-based measures, regression

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