

## Revisiting the Link between Corporate Social Performance and Corporate Financial Performance Post 2008 Global Economic Crisis

**Authors :** Anand Choudhary

**Abstract :** Following the global economic crisis in 2008, businesses and more especially the big multinational conglomerates were increasingly viewed by the people world over as one of the major causes of the economic problems faced by millions globally, in terms of job loss and lifetime savings being wiped out as banks and pension funds went bankrupt and people stared at an insecure financial future. This caused a lot of resentment in the public against big businesses and fueled several protest movements by the people such as "Occupy Wall Street" in different parts of the world. This forced the big businesses to respond to the challenge by adopting more people-centric policies and initiatives for local communities in societies where they operate as part of their corporate social responsibility (CSR), in order to regain their social acceptance among the people whilst earning their 'social license to operate'. The current paper studies many of such large MNCs across the United States of America, India and South Africa, which changed the way they did business earlier, following the global economic crisis in 2008, by incorporating capacity building initiatives for local communities as part of their CSR strategy and explores whether it has contributed to improving their financial performance. It is a conceptual research paper using secondary source data. The findings reveal that there is a positive correlation between the companies' corporate social performance and corporate financial performance. In addition, the findings also bring to light that the MNCs examined as part of the current paper have improved their image in the eyes of their stakeholders following the change in their CSR strategy and initiatives.

**Keywords :** corporate social responsibility (CSR), Corporate Social Performance (CSP), Corporate Financial Performance (CFP), local communities

**Conference Title :** ICCSRSD 2018 : International Conference on Corporate Social Responsibility and Sustainable Development

**Conference Location :** London, United Kingdom

**Conference Dates :** January 18-19, 2018