

Impact of Corporate Social Responsibility (CSR) Expenditure on the Stock Performance: An Empirical Evidence from the United Kingdom.

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ABSTRACT

Aim: CSR has played an essential role in entities' financial performance, especially in the banking sector. Therefore, the main intent of the researcher was to assess the role of CSR expenditure on the stock performance of the UK, specifically in the banking sector.

Method: The secondary quantitative method has been deployed to assess the stock performance of the banking sector. However, information was derived from annual reports and yahoo finance for 10 famous banks in the UK, covering the period of 2019 to 2021. For data analysis, descriptive statistics, correlation analysis, Hausman, and GLS fixed effect models were used through using Stata software.

Findings: Findings from descriptive, correlation and regression analysis revealed that bank size and CSR expenditure positively influence stock performance. While leverage negatively influenced the stock price of the UK banking sector. Thus, it shows that companies investing in CSR policies generate a higher return.

Future Implications: The outcome of the current study would be helpful for researchers, and policymakers to consider CSR as an essential element while enhancing the stakeholders' return.

Keywords: *CSR, Banking sector, stock price, stock performance, total assets, size of firms, leverage, debt*