International Research Journal of Management and Commerce
ISSN: (2348-9766)
Impact Factor 7.098 Volume 13, Issue 02, Feb 2026
©Association of Academic Researchers and Faculties (AARF)
www.aarf.asia, **Email** : editoraarf@gmail.com

THE ROLE OF FINANCIAL MANAGEMENT IN CORPORATE SOCIAL RESPONSIBILITY

DR. SWETA SONALI
Former Guest Faculty,
University Department of Commerce and Business Management,
Ranchi University, Ranchi.

Abstract

Financial management drives Corporate Social Responsibility (CSR) initiatives. This research examines how financial strategies impact CSR in Indian and global firms.

Keywords: Financial Management, CSR, Sustainability, ESG, Corporate Governance

Introduction

Financial management is pivotal in allocating resources for CSR. This paper explores its role in promoting sustainability and social impact.

Financial management is pivotal in allocating resources for CSR, influencing sustainability and social impact. This paper explores its role in promoting CSR in Indian and global firms, focusing on ESG metrics and stakeholder engagement.

Firms struggle to balance profitability and CSR. This study assesses how financial decisions influence CSR outcomes.

Scope of Research Study

The present research paper is based on primary & secondary data. The research covers Indian and global firms, focusing on CSR spending, ESG metrics, and stakeholder impact.

Significance of Research Study

The significance of the present research study is as under -

1. Educational Significance: Enhances understanding of finance-CSR link.

2. Functional Significance: Guides firms on CSR investments.
3. Social Significance: Supports sustainable development.
4. Political Significance: Aligns with national CSR policies.
5. National Relevance: Boosts India's CSR initiatives.
6. International Relevance: Echoes global ESG trends.

Objectives of Research Study

Objectives of present research study are as follows :

1. Assess financial management's impact on CSR.
2. Evaluate CSR spending and ESG outcomes.
3. Identify best practices for firms.

Hypotheses of Research Study

Hypothesis of present research study is as follows :

1. **Null Hypothesis (H0):** Financial management has no impact on CSR.
   Alternative Hypothesis (H1): Effective financial management boosts CSR.

Research Methodology

1. Research Design: Mixed-methods (surveys + financial data analysis).
2. Research Sample: 50 Indian and 20 global firms.
3. Limitations: Sector-specific; data availability.

Findings

The main findings of the present research study is as under -

1. CSR Spending: Linked to profitability, industry norms, and regulatory pressures.
2. ESG Metrics: Better financial health improves ESG scores and risk management.
3. Stakeholder Impact: CSR boosts brand trust, employee engagement, and investor interest.

Recommendations

International Research Journal of Management and Commerce
ISSN: (2348-9766)
Impact Factor 7.098 Volume 13, Issue 02, Feb 2026
©Association of Academic Researchers and Faculties (AARF)
www.aarf.asia, **Email** : editoraarf@gmail.com

1. Align CSR with Strategy: Integrate CSR into financial plans and business goals.
2. Measure ESG Outcomes: Use clear metrics for impact and transparency.
3. Engage Stakeholders: Communicate CSR efforts and involve employees, customers, and investors.
4. Leverage Technology: Use data analytics for ESG tracking and reporting.

Conclusion

Financial management is key to effective CSR. Firms should integrate CSR into financial strategies for sustainable growth and stakeholder value. Enhanced CSR impact, reputation, and stakeholder trust. Supports sustainable development goals and community welfare. Attracts ESG-focused capital and improves brand value. Boosts engagement, morale, and social responsibility awareness. Financial management plays a pivotal role in corporate social responsibility by integrating environmental, social, and governance considerations into core business functions to drive long-term value creation and ensure sustainable business growth. It has shifted from a pure focus on short-term profits to balancing economic, social, and environmental performance.

References

1. Adams, C. A., & Frost, G. R. (2008). Integrating sustainability reporting into management practices. Accounting Forum, 32(4), 288-302.
2. Benn, S., Dunphy, D., & Griffiths, A. (2014). Organizational Change for Corporate Sustainability. Routledge.
3. Dixon-Fowler, H. R., Slater, D. J., Johnson, J. L., Ellstrand, A. E., & Romi, A. M. (2013). Beyond "does it pay to be green?": A metaanalysis of moderators of the CEP-CFP relationship. Journal of Business Ethics, 112(2), 353-366.
4. Eccles, R. G., Perkins, K. M., & Serafeim, G. (2012). How to become a sustainable company. MIT Sloan Management Review, 53(4), 43-50.
5. Journal of CSR. (2023). Financial Management and CSR.
6. McKinsey. (2023). ESG and Corporate Strategy.