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Module: LCLM6005 Dissertation

RESEARCH AIM

To examine the relationship between CSR disclosure and financial perform.ance in UK retail companies.

RESEARCH DESIGN

Philosophy: Positivism
Approach: Deductive
Method: Quantitative
Strategy: Secondary data analysis

Objective statistical methods are used to examine relationships between variables.

DATA COLLECTION

- Annual reports
- Sustainability reports
- Financial statements
- Corporate websites

Sample: UK retail companies (e.g. Tesco, Sainsbury’s, Marks & Spencer)

Time period: 2019–2023 (subject to data availability)

The Impact of Corporate Social Responsibility Disclosure on Financial Performance: Evidence from UK Retail Companies

RESEARCH OBJECTIVES

- Evaluate CSR disclosure levels in UK retail firms
- Measure financial performance using ROA and ROE
- Analyse the CSR–financial performance relationship
- Test the impact using statistical analysis

DATA ANALYSIS

- Descriptive statistics
- Pearson correlation
- Multiple regression

ROA = $\beta_0 + \beta_1(\text{CSR}) + \beta_2(\text{Size}) + \beta_3(\text{Leverage}) + \varepsilon$
ROE = $\beta_0 + \beta_1(\text{CSR}) + \beta_2(\text{Size}) + \beta_3(\text{Leverage}) + \varepsilon$

VARIABLES

Independent: CSR Disclosure Index

Dependent: ROA, ROE

Controls: Firm size, leverage, firm age

KEY FINDINGS (*Expected / Illustrative if no real dataset is used*)

- CSR disclosure is positively associated with financial performance
- Higher CSR scores tend to align with higher ROA and ROE
- CSR may contribute to long-term value creation and reputation

THEORETICAL CONTRIBUTION

- Stakeholder Theory: improved stakeholder relationships
- Legitimacy Theory: enhanced corporate reputation
- Resource-Based View: CSR as a strategic intangible asset

CONCLUSION

CSR disclosure is positively associated with financial performance in UK retail companies, suggesting CSR should be viewed as a strategic investment rather than a cost.

Reference

- Freeman, R.E. (1984). Strategic Management: A Stakeholder Approach. Cambridge University Press.
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- Orlitzky, M., Schmidt, F.L. & Rynes, S.L. (2003). Corporate social and financial performance: A meta-analysis. Organization Studies, 24(3), 403–441.
- Porter, M.E. & Kramer, M.R. (2006). Strategy and society: The link between competitive advantage and CSR. Harvard Business Review, 84(12), 78–92.