

The Relationship between Corporate Social Responsibility (CSR) Extent and Quality on the Company's Financial Performance in United Arab Emirates (UAE) before and After Covid

Belal Fayez Omar

Higher Colleges of Technology, Abu Dhabi, United Arab Emirates

Abstract

This study aims to examine the relationship between corporate social responsibility (CSR) extent and quality on the company's financial performance in United Arab Emirates (UAE) for the time periods of 2017-2019 and 2022-2024, ultimately establishing whether there was change in this relationship before and after the pandemic Covid -19.

A quantitative approach is adopted for this research, and a content analysis technique is used to gather CSR disclosure extent and quality from the annual reports. The sample is withdrawn from the annual reports of 40 Emirati companies. A CSR is measured by constructing an index consisting of the following categories: environmental, human resources, product and consumers, and community. A special measurement of disclosure quality has been developed to fill the gap in the literature because of the overlooking of pictures and graphs. This 7-point scale will be adopted to distinguish between poor and excellent disclosures. Financial performance is measured using return on assets (ROA), and two control variables were included: size and gearing (leverage).

The study will have social implications as the pandemic has created social responsibility and awareness among companies, which could affect their financial performance. In addition, the study will highlight the CSR practices that could be changed during the pandemic and could help both, the regulators and the companies to adopt new trends of CSR practices that could affect their financial performance.

Keywords

Corporate Social Responsibility (CSR), Financial Performance, Content Analysis, Annual Reports, ROA.