

## **CORPORATE SOCIAL RESPONSIBILITY PRACTICES AND PROFITABILITY OF THE MANUFACTURING COMPANIES IN SRI LANKA**

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### **Abstract**

We are living in a world consist with numerous problems related to environment and society. Corporate Social Responsibility (CSR) is a means to sort out these problems to some extent because business is a part of society. The main purpose of the every business unit is earning more and more profits but social responsibility is an obligation to the people living inside and outside the business organizations. All the companies deal with the different group of society such as owners, employees, customers, government, suppliers etc. The responsibility of business, which includes satisfaction of these parties along with the owner, is called social responsibility of business. CSR typically includes issues related to business ethics, community engagement, global warming, water management, manage the use of natural resources, human rights etc.(Rani & Hooda,2013). So, in order to get sustainable development and to survive in this competitive world, the organizations need to establish a close and good relationship with society.

The objective of this research is to find out the relationship between corporate social responsibility (CSR) practices and profitability of the manufacturing companies in Sri Lanka. This study will examine the relationship of CSR and profitability of the companies in a different view and different method. For investigating the listed manufacturing companies in Srilanka stock exchange market by using primary sources (Questionnaires, interviews) and secondary sources (financial statements, related documents)as well as time series and the correlation test will be applied in MS-Excel. It is expected to find that makes clear relationship in the aspect of identifying the costs and benefits of CSR, and how those costs and benefits will affect the accounting earnings or profits of the firms.

**Key words:** Corporate social responsibility, profitability, social responsibility.