

## **The Role of Corporate Social Responsibility in Business Strategy and Sustainability: A Quantitative Study**

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**DOI: 10.48047/pne.2018.55.1.01**

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### **Abstract**

Corporate Social Responsibility (CSR) has surfaced as a vital facet of commercial strategy and sustenance in recent times. It is a notion that pertains to the obligation of an enterprise to function in a principled and socially responsible approach, beyond merely seeking pecuniary gains. The purpose of CSR in commercial strategy and sustenance is to guarantee that enterprises function in a manner that is beneficial to society and the ecosystem, in addition to their shareholders. Incorporating Corporate Social Responsibility (CSR) into a business's modus operandi is not just a mere supplement to its operations, but an indispensable component of its long-term triumph. The integration of CSR into a company's strategy has the potential to engender augmented brand reputation, intensified customer loyalty, and heightened employee gratification. Additionally, it can serve to alleviate risks connected with adversative social or environmental impacts, as well as regulatory and legal adherence. Presently, consumers and stakeholders are progressively cognizant of the influence of enterprises on society and the environment. Thus, businesses that prioritize CSR in their operations are more likely to prosper in the long haul, while simultaneously contributing to a more sustainable future for all.

Keyword- Corporate Business Strategy, Corporate role for sustainability, role of sustainable business

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### **Introduction**

Corporate Social Responsibility (CSR) has progressively evolved into a salient facet of business strategy and sustainability. This doctrine acknowledges a firm's obligation to function in an ethical and socially responsible way that transcends the mere pursuit of profit. CSR encompasses liaising with stakeholders and tackling social and environmental quandaries, in addition to generating economic value. This approach has surged in popularity lately, owing to the mounting insistence from consumers and stakeholders for companies to proactively confront social and environmental predicaments.

Tai & Chuang, (2014) found that the function of Corporate Social Responsibility (CSR) in business strategy and sustainability is to ensure that enterprises operate in a manner that is advantageous to society and the environment, in addition to their stakeholders. A focus solely on financial performance is insufficient for a corporation. Presently, businesses are required to operate with a sense of purpose that transcends the creation of shareholder value. By

embracing CSR, corporations can generate a constructive impact on society and the environment, while simultaneously enhancing their financial performance.

Corporate Social Responsibility (CSR) has become a pivotal component of business strategy and sustainability for various reasons. Initially, stakeholders and consumers have grown increasingly cognizant of the profound influence corporations wield on society and the environment. Therefore, they demand that companies operate responsibly and work towards the common good instead of solely benefiting their shareholders.

Kolk & Van Tulder, (2010) found that by implementing CSR practices, companies can curtail potential risks related to negative social or environmental impacts. Through proactive measures, corporations can sidestep potential legal liabilities and reputational harm.

CSR allows businesses to differentiate themselves from competitors in a cluttered market. In today's day and age, consumers are more inclined to support companies that share their values and display a commitment to social and environmental responsibility.

According to Schaltegger, Lüdeke-Freund, & Hansen, (2012) incorporating corporate social responsibility (CSR) into a company's overarching strategy can be advantageous in several ways. Amongst which is the potential to bolster the company's brand reputation and cultivate customer loyalty. By exhibiting an unwavering commitment to societal and environmental responsibility, companies can establish a sense of trust and credibility with their customers. This can translate into amplified sales and customer retention, all while espousing CSR. Moreover, CSR can serve as a potent mechanism to entice and retain employees. In today's labor market, value systems reign supreme, with workers preferring to be associated with companies that share their values. By incorporating CSR into their daily operations, companies can galvanize their workforce, creating a more engaged and motivated team.

### **Literature review**

Corporate social responsibility (CSR) has progressively gained significant importance in the contemporary business realm. It pertains to a company's obligation to conduct themselves ethically and responsibly in relation to the society and environment, beyond the legal stipulations. This necessitates that companies must contemplate the effects of their business undertakings on the society and environment and endeavour to engender a constructive influence.

Wang, Tong, Takeuchi, & George, (2016) found that companies may take various approaches towards Corporate Social Responsibility (CSR) which encompass the reduction of carbon emissions, the promotion of diversity and inclusivity, the assurance of ethical supply chains and the provision of support to charitable organizations.

Banerjee, (2008) found that by executing such measures, these companies can aid in the advancement of sustainable development - the overarching objective being to cater to the requirements of the present while simultaneously ensuring that the future populace can fulfil

their own requirements. Moreover, CSR can also benefit companies by enhancing their reputation and brand image, which can lead to increased customer loyalty, employee satisfaction, and investor confidence. CSR can also help companies mitigate risks, such as reputation damage from unethical behaviour, regulatory fines, or environmental disasters. However, implementing CSR initiatives can be challenging, as it requires companies to balance the interests of different stakeholders, such as shareholders, employees, customers, and communities.

Montiel, (2008) found that it can also be costly, both in terms of financial and human resources, and require long-term thinking and collaboration with external partners. Corporate Social Responsibility (CSR) is increasingly becoming an indispensable component of business strategy and operations. As companies acknowledge the significance of sustainable development, they are compelled to consider the positive impact that CSR can have on their business and society as a whole. By incorporating CSR into their core business strategy and operations, companies can generate enduring sustainable value for all stakeholders and contribute to a more sustainable future. However, implementing CSR initiatives is fraught with significant challenges, particularly due to the intricate and uncertain nature of sustainability issues. For instance, sustainability issues such as climate change and social inequality are multifaceted and necessitate long-term thinking and cooperation with external partners to effectively address them.

Companies are faced with a multifaceted issue in the form of climate change, which demands their attention to assess and manage risks that are tied to their operations, supply chains, and products. The carbon footprint of companies requires scrutiny, and they must investigate potential ways to diminish their greenhouse gas emissions. Additionally, the environmental impact of their business practices, such as water consumption, waste management, and biodiversity, must also be considered. Another issue that warrants attention is social inequality. This matter includes access to education, healthcare, and good job opportunities, as well as issues related to diversity and inclusion. It is essential that companies contribute to creating a more comprehensive and fair society by advocating for diversity in their workforce, ensuring that their employees and suppliers receive reasonable wages and working conditions, and supporting social initiatives that address inequality.

Crowther & Aras, (2008) found that to tackle intricate sustainability dilemmas, enterprises must adopt a collaborative and enduring tactic. They should involve themselves with external associates, such as NGOs, governments, and communities, to acquire a more profound comprehension of the regional framework and to create answers that are socially and environmentally responsible. Companies must also dedicate resources to research and development to investigate pioneering solutions to sustainability challenges. Corporate Social Responsibility (CSR) has progressed from an act of philanthropy to an inseparable element of business tactics and proceedings. In modern times, CSR should not be seen as a detached pursuit from a company's core business but rather as a fundamental element of its rationale and value formation.

Corporate social responsibility (CSR) undertakings have the potential to generate sustainable value for a range of stakeholders, including shareholders, employees, customers, and communities.

Epstein & Buhovac, (2014) found that by embedding CSR as a fundamental aspect of their business strategy, companies can augment their standing and reputation, which, in turn, can trigger heightened customer loyalty, employee contentment, and investor assurance. The adoption of CSR can also aid companies in mitigating risks that may arise from unethical practices, regulatory penalties, or environmental catastrophes. Furthermore, CSR can drive inventive processes and enable companies to identify emerging business prospects.

According to Siegel & Vitaliano, (2007) s an illustration, companies that invest in eco-friendly technologies and products can profit from amplified demand from environmentally conscious consumers and simultaneously reduce their operational costs by reducing their carbon footprint. The embrace of CSR can also facilitate companies in identifying novel markets and opportunities by gaining a better understanding of the social and environmental context in which they function.

To synchronize their commercial procedures with the Sustainable Development Goals (SDGs), enterprises must adopt a comprehensive and strategic tactic that takes into account the influence of their activities, supply chain, and commodities on the environment and society. This requires interaction with interested parties, such as non-governmental organizations (NGOs), governmental institutions, and communities, to acquire a more profound comprehension of their requisites and anticipations. It also entails evaluating and disclosing Corporate Social Responsibility (CSR) performance to assure clarity and liability.

A prominent hindrance in the CSR domain is the deficiency of a standardized and regulated approach to measuring and reporting CSR performance. The absence of a standardized approach makes it arduous for enterprises to evaluate their progress compared to others, and for stakeholders to accurately determine their influence.

Presently, there is no globally recognized framework or standard for CSR reporting and measurement. Diverse firms adopt various criteria and parameters to assess their CSR performance, making it strenuous for stakeholders to compare their progress. Furthermore, there is no supervisory body overseeing CSR measurement and reporting, giving rise to inconsistent reporting and dubious procedures.

The lack of standardization and regulation in CSR measurement and reporting raises doubts regarding greenwashing, a practice in which businesses amplify or misrepresent their CSR performance to enhance their reputation. Greenwashing can misguide stakeholders and erode the credibility of CSR as a means for sustainability and social accountability.

To tackle this challenge, a collective effort from various stakeholders, including governments, non-governmental organizations, and businesses, is required to create a globally acknowledged structure or benchmark for Corporate Social Responsibility (CSR) reporting and evaluation. This system should comprise standardized indicators and metrics that companies can use to report their CSR performance, and it should also establish a regulatory body to supervise CSR reporting and evaluation to ensure honesty and accountability.

CSR initiatives encompass a wide range of activities, including philanthropic ventures and operational enhancements. Philanthropic endeavors concentrate on giving back to society and may involve donating to charitable organizations, supporting community development projects, and providing aid in disaster-stricken areas. On the other hand, operational improvements aim to reduce a company's detrimental effects on the environment and society while boosting positive impacts.

One operational enhancement that firms can undertake is reducing carbon emissions. This objective can be attained by utilizing renewable energy sources, enhancing energy efficiency, and executing sustainable transportation techniques. By lowering carbon emissions, companies can help alleviate climate change, a global challenge that affects everyone.

Promoting diversity and inclusion is another operational improvement that companies can make. This involves cultivating a corporate culture that respects and values the diverse backgrounds, experiences, and viewpoints of their employees. By doing so, businesses can foster a more inclusive work environment and help minimize inequality. Ensuring ethical supply chains is another crucial operational improvement that companies can make. This involves verifying that the suppliers and collaborators a company works with adhere to ethical and sustainable business practices. By doing so, companies can mitigate the adverse social and environmental impacts of their supply chains.

#### **Objectives of the study:**

- To measure the role of corporate social responsibility in business strategy and sustainability

#### **Research Methodology:**

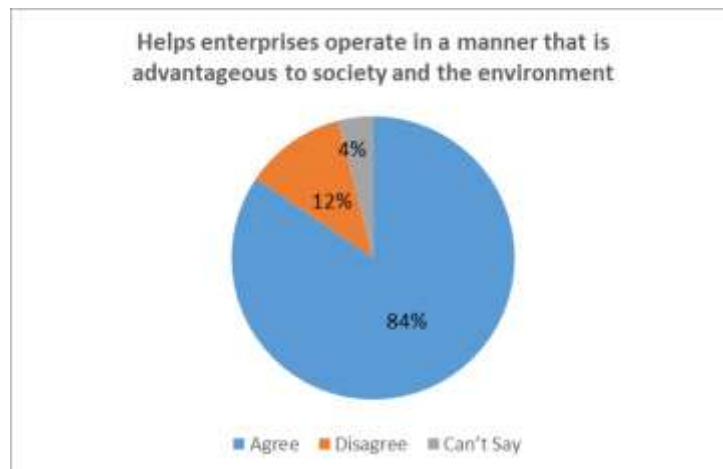
This study is empirical in nature. In this study 200 respondents were contacted to give their viewpoints on the role of corporate social responsibility in business strategy and sustainability. The data analysis was done with the help of the frequency distribution and pie charts were used to present the data.

#### **Data Analysis and Interpretation:**

**Table 1 Helps enterprises operate in a manner that is advantageous to society and the environment**

Particulars	Agree	Disagree	Can't Say	Total
Respondents	169	23	8	200
% age	84.0	12.0	4.0	100

Table 1 presents that with the statement **helps enterprises operate in a manner that is advantageous to society and the environment**, it is found that 84.0% of the respondents agree with this statement.

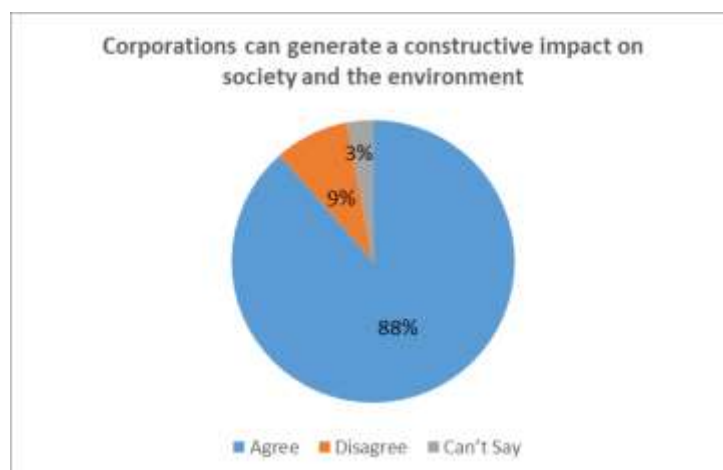


**Figure 1 Helps enterprises operate in a manner that is advantageous to society and the environment**

**Table 2 Corporations can generate a constructive impact on society and the environment**

Particulars	Agree	Disagree	Can't Say	Total
Respondents	177	17	6	200
% age	88.0	9.0	3.0	100

Table 2 presents that with the statement **corporations can generate a constructive impact on society and the environment**, it is found that 88.0% of the respondents agree with this statement.

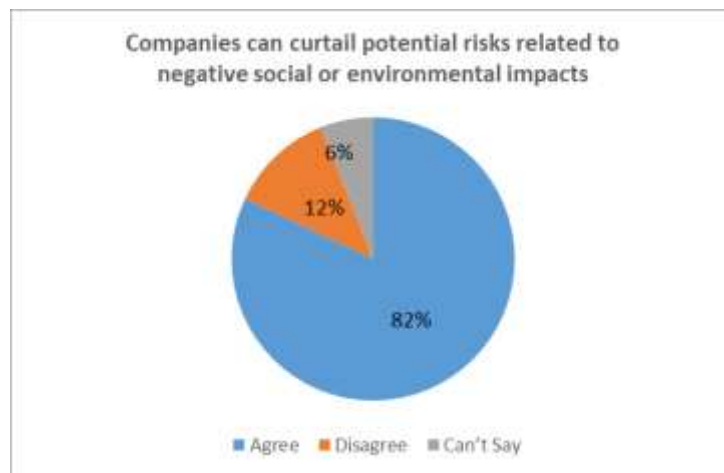


**Figure 2 Corporations can generate a constructive impact on society and the environment**

**Table 3 Companies can curtail potential risks related to negative social or environmental impacts**

Particulars	Agree	Disagree	Can't Say	Total
Respondents	164	24	12	200
% age	82.0	12.0	6.0	100

Table 3 presents that with the statement **companies can curtail potential risks related to negative social or environmental impacts**, it is found that 82.0% of the respondents agree with this statement.



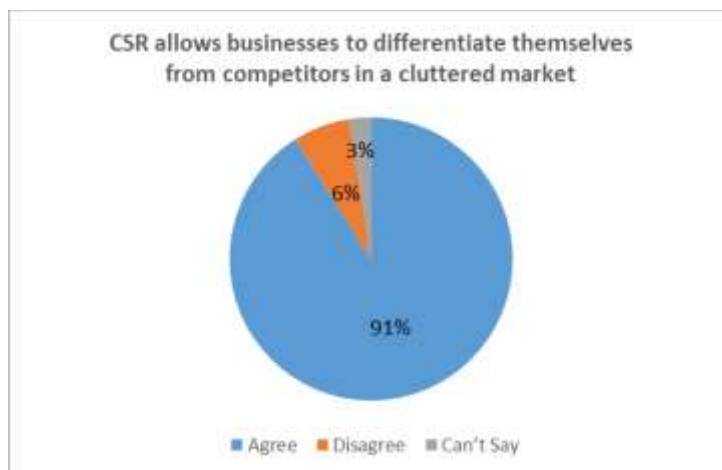
**Figure 3 Companies can curtail potential risks related to negative social or environmental impacts**

**Table 4 CSR allows businesses to differentiate themselves from competitors in a cluttered market**

Particulars	Agree	Disagree	Can't Say	Total
Respondents	182	13	5	200
% age	91.0	6.0	3.0	100

Table 4 presents that with the statement **CSR allows businesses to differentiate themselves from competitors in a cluttered market**, it is found that 91.0% of the respondents agree with this statement.



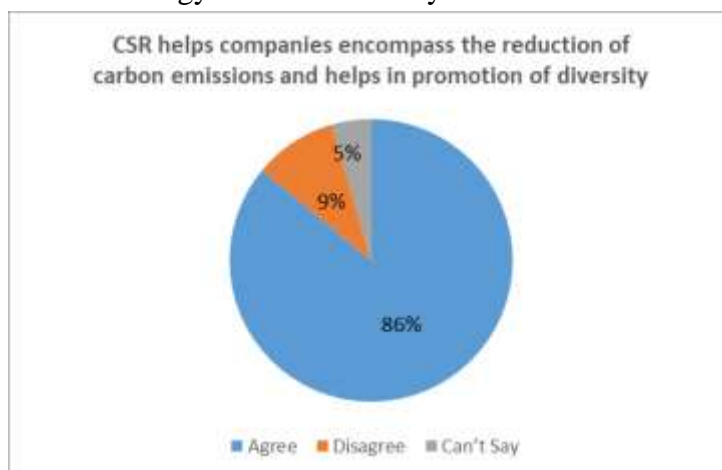


**Figure 4 CSR allows businesses to differentiate themselves from competitors in a cluttered market**

**Table 5 CSR helps companies encompass the reduction of carbon emissions and helps in promotion of diversity**

Particulars	Agree	Disagree	Can't Say	Total
Respondents	172	19	9	200
% age	86.0	9.0	5.0	100

Table 5 presents that with the statement **CSR helps companies encompass the reduction of carbon emissions and helps in promotion of diversity**, it is found that 86.0% of the respondents agree with this statement. Considering all the responses of the statements, it was found that to a good percentage, the respondents have agreed which means that CSR plays a important role in business strategy and sustainability.



**Figure 5 CSR helps companies encompass the reduction of carbon emissions and helps in promotion of diversity**

## Conclusion



The study highlights the crucial role of corporate social responsibility (CSR) in business strategy and sustainability. The results indicate that enterprises which integrate Corporate Social Responsibility (CSR) into their comprehensive approach can attain a competitive edge, enhance their reputation, and make a positive contribution to sustainable development. Additionally, the research underscores the significance of quantifying and reporting CSR undertakings to interested parties as this can augment transparency and accountability. The outcome of this quantitative investigation provides valuable knowledge for businesses and policymakers to utilize CSR as a strategic tool for achieving the Sustainable Development Goals. the study accentuates the requirement for enterprises to take a long-term view and prioritise CSR as an essential component of their business approach to accomplish financial success and social and environmental impact.

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