



CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY: A LITERATURE REVIEW

Manju Sharma

Assistant Professor, Department of Management Studies, ICAI University, H.P.

Abstract

Amidst a contemporary culture of climate awareness, unprecedented levels of transparency and visibility are forcing industrial organizations to broaden their value chains and deepen the impacts of Corporate Social Responsibility (CSR) initiatives. This article will support on the study of corporate social responsibility and sustainability. Corporate social responsibility is now accepted as a means to achieve sustainability goals of an organisation and world. The objective of the study is to know the importance and impact of corporate social responsibility and sustainability. And also to fill the gap between the various studies. Secondary data is the source of study under this article. Findings of the study show that a lot of study has been done in this field but by changing climatic and global scenario in world for sustainable development there is lot of points that were not taken into consideration.

Key Words: *Corporate Social Responsibility, Sustainability, Sustainable Development Goals.*

Introduction

A lot of study has been done in the field of corporate social responsibility (CSR) before the setting of sustainable development goals (SDGs). And with the change in climatic conditions, environmental pollution, ozone gases, man-made pollution factors have increased the importance to study about the sustainability and its relations with corporate social responsibility. According to companies act 2013 section 135(1) “every company having net worth of rupees 500 crore or more, or turnover of rupees 1000 crore or more or net profit of rupees 5 crore or more during immediately preceding financial year shall constitute a corporate social responsibility committee and should spend 2% of its profit in the preceding financial year for corporate social responsibility activities ”. The present study aims to know about corporate social responsibility and its relation with sustainable development goals in India. It also tries to study about Indian government initiatives towards the attainment of sustainable development goals (SDGg) by correlating it with corporate social responsibility. According to William Clay Ford Jr. Chairman of the board and CEO of Ford Motor Company, “There is difference between a good company and great company. A good company offers excellent products and services. A great company also offers excellent product and services but also strives to make the world a better place” Securities and exchange board of India (SEBI) had made it compulsory for the entities registered on stock exchange to prepare its ‘business responsibility and sustainability reporting’ at the end of its financial year. Objective of the study is to fill the gap in various studies related to corporate social responsibility and sustainability.

Literature Review

Claire Jane M. Burns (2019) Is a case study on a key to Australian finance directors improving their organisation’s CSR culture. It is conducted leading up Royal Commission for misconduct in banking, superannuation and financial services industry. A few directors consider CSR and sustainability as important factor and rest gives importance for profit in long run and short run as primary objective. it focuses ‘why’ of the finance industry’s values which exposed some of the “what” and “when” of director behaviour.

Abdelkabir Elouidani (2015)

Article is on corporate social responsibility and financial performance measure by several indicators. The findings of the research show a negative and insignificant effect of CSR on financial performance on the selected companies on Casablanca stock exchange between 2007 to 2010. It is the negative impact which influence significantly large companies, which means CSR is a mandatory factor.

Hassan M. Hafez (2016)

The study is on the topic corporate social responsibility and firm value of the companies registered on Egypt exchange. The purpose of the research is to evaluate the effect of CSR on firm value and financial performance. The study findings prove that CSR have insignificant negative impact on firm value and a significant positive impact on firm financial performance in Egypt measured by Return On Assets (ROA) and Return On Equity (ROE).

Benedict Sheehy (2021)

Case study what is the difference in corporate social responsibility, sustainable development, and corporate sustainability, and does their study or application is relevant & matters. The aim of the study is not to end the discussion or debate but to add precision to this important area of work and provide a foundation for further discussion. The difference between all of them is clearer and more useful.

Sheshadri Chatterjee (2022)

A research study On corporate social responsibility in post Covid -19 period. The purpose of this study is to find or identify success factors of corporate social responsibility (CSR) in the post Covid 19 period and identify the cause effect relationships amongst the critical success factors (CSF). Findings of the study shows that using DEMATEL method, an analytical model showing Cause effect aspect which were emphasised by firm to execute better CSR in post Covid 19 era.

Amr EIAIfy (2020)

Is a review of literature scoping the evolution of corporate social responsibility (CSR) research in the sustainable development goals (SDGs) era. By result of this paper provide an in depth discussion into strategic community, company, consumer, investor, and employees. It's findings provide a timely and descriptive overview of how CSR research have approached the SDGs and which one are being prioritized.

Rabinarayan Samantara (2020)

A review of literature on corporate social responsibility in India, it's issues and challenges. The objective of the study is to discuss the CSR provisions in India, acceptance and implementation of CSR by Indian companies and to suggest various measures for ensuring improved CSR practices in India. Findings of the study shows that sustainability reporting is gaining importance these days because of the growing recognition of issues related to Sustainability.

Carol A. Tilt (2016)

A research on importance of Context of corporate social responsibility. This paper discusses three contextual issues that warrant more and improved consideration in CSR research, with particular emphasis on CSR reporting research. According to the research social-political environment, legal systems, cultural factors have significant effect on applicability of various theories to CSR in countries like China, UK, Sri Lanka, US and Australia.

Hortensia Gorski (2014)

A research on corporate social responsibility in the development region centre Romania. The objective of this research is to find the level of awareness about corporate social responsibility concept and to know how CSR activities planned and organised at centre development region Romania. Results of the study shows that in the surveyed organisations CSR practices are not enough understood, used and recommendations were provided accordingly.

Jae-Eun Lee (2022)

A research paper on the impact of corporate social responsibility performance feedback on corporate social responsibility performance of the behavioural theory of the firm in Korea. The study presented evident that positive social and historical performance feedback had a positive effect on CSR performance. The results show firms with higher social and historical CSR performance then CSR aspiration may have higher CSR Performance then those that do not.

Christopher Wickert (2021)

Corporate social responsibility research in the journal of management studies. A shift from business centric to a society centric focus. The study outlined three emergent avenues for future research, the reintegration of government shaping, CSR the need to reorient the dependent variable used in CSR research toward tangible social and ecological outcomes, and the importance of CSR research tackling interrelated societal crises such as the Covid-19 pandemic and the climate crises.

Dr. Vruswhali Rajaram Kadam (2020)

A study of selected large scale companies and corporate social responsibility practices. The research paper tries to explain the importance of corporate social responsibility in today's global era. It also gives picture about the CSR focus areas in which the large scale companies are carrying out their activities more intensively. The findings show many companies follow the rule of corporate act so before the implementation of CSR and some do not adherent the same.

Dr. Parvat.R. Patel (2020)

A research study on corporate social responsibility in India- a path to achieve sustainable development goal. The research paper attempt to analyse several aspect of the new CSR law, why and how social welfare and country's economic development? What are the potential benefits of CSR to companies? The study conclude that government has introduced CSR because they want corporations to became more responsible for its stakeholders and society at large.

Dr. Reema Shyam (2016) An analysis of corporate social responsibility in India. The research paper aims at providing an understanding of concept of CSR and analysis the development of CSR in India. According to research paper CSR is facing several challenges in India. And gives suggestions to overcome and accelerate the CSR initiatives in India. It also highlights governing policies of CSR in India and also the CSR initiatives in Indian firms including SMEs role in CSR.

Rosy Ahluwalia (2018)

Is a research paper on corporate social responsibility in india- evolution of philanthropic practices. It traces the growth of CSR practices in india through the passage of time and also put the perspective trends in CSR activities. The study shows, there is more transparency in reporting of CSR in companies on their official websites, publishing CSR and sustainability reports and annual reports. The coming years will reveal new perspective get enforced at the ground level.

Mr. Ravindra Kumar (2021)

Article on corporate social responsibility and its issues and challenges in India. The study basically concerned to understand the present scenario of corporate social responsibility. And recommended to take time bound steps to mainstream its CSR. A few recommended focus point of the study is to introduce awareness, partnership between stakeholders, pooling resources, intervention in rural areas, incentives and exemptions, participatory approach, CSR as a subject, accreditation mechanism. Pooled resources etc.

Rui Yan (2022) The impact of corporate social responsibility on sustainable innovation. A case in China's heavy pollution industry. The objective of the research to explore the impact of corporate social responsibility fulfilment and disclosure on enterprises sustainable innovation capacity. The result of the study provides empirical evidence that CSR is positively associated with sustainable innovation. And business environment can serve as moderator between CSR and sustainable innovation.

Emilio Abad-Segura (2019)

A review of literature on the sustainable approach to corporate social responsibility, a global analysis and future trends. The explicit aim of the article is to determine the relevance of corporate social responsibility and its relationship with sustainability, in order to establish trends and future lines of research. The study shows that global research has been on upward trend with optimal publication rates in recent years for CSR and sustainability.

Hortensia Gorski (2017)

A study of essential topic for business education on sustainability and corporate social responsibility. The purpose of the research is to examine different aspects and approaches regarding sustainability, sustainable development and corporate social responsibility in relation with business education. The literature review underlies the fact that the concept related to CSR and its components are not well known by the managers of the companies and public institutions. The findings also show people have knowledge about CSR from outside the formal education system.

Victor Meseguer-Sanchez (2021)

A bibliometric analysis of the interrelations in corporate social responsibility and sustainability. The research aims to analyse the relationship between the concepts of corporate social responsibility and sustainability in order to understand the advances of current scientific production. A line of research also proposed includes proposal from the 2030 agenda for sustainable development goals.

Research methodology

In the article secondary data is used to complete the study to achieve the objective of the study. This article is a literature review of various researches in the field of corporate social responsibility and sustainability. A systematic study is done on various literature to know the gap in the various researches and the to know about government role in the development of corporate social responsibility goals and to achieve that of sustainable development goal.

Objective of the study

Following objective underlie the article-

1. To explore the gap on various literature on corporate social responsibility and sustainability.
2. To investigate importance of the study of corporate social responsibility and sustainability.
3. To know about government and regulating bodies initiatives for corporate social responsibility to achieve sustainability goals.

Importance of the study

Corporate social responsibility plays a vital role in the achievement of organisational goal and to make a social image in the market. A company can use various methods to benefit the society with its various activities for example,

1. Environmental protection activities.
2. Charity activities.
3. Ethical labour practices.
4. Various volunteer projects.

Corporate social responsibility and sustainability bring sustainability and corporate sector goals together which will automatically benefit the organisation as well as the society, environment and climatic conditions. Earth is suffering from global warming, drastic impacts of climatic change and greenhouse gases so it became the responsibility as well need for the corporate to take the steps to safeguard the environment and make a sustainable future for the upcoming generation. The following point would show why the study and application of corporate social responsibility and sustainability became importance,

1. International economic groping.
2. Global warming.
3. Ozone depletion.
4. Drastic impacts of climate change.
5. Landslides.
6. Increasing sea level of water.
7. Cyclones.

All the above mentioned changes is seen in the environment year by year which leads to finishing of resources for our upcoming generation, and now it became a need to study and implement the corporate social responsibility policies (CSRp) as accord with sustainable development goals(SDGs).

Results and discussion

The study answers the various questions “Why the study of corporate social responsibility is important’ sustainability is related with corporate social responsibility (CSR) goals”. As above discussed there are a lot of view on sustainability and corporate social responsibility and their correlation with each other. We can see that there is positive relation in sustainable development goals and corporate social responsibility to save the climate and environment. The global adoption of corporate social responsibility has shifted what society would expect from corporate firm in terms of their responsibility towards the communities and their role as leaders in the global sustainable transition. The field of management and finance has given notable importance to sustainability as a goal of corporate social responsibility to build them as a global leader. Finally, there would remain some of the areas in which there is less importance given by government and corporate sector to achieve sustainability. The aim of the study is not to end the discussion; rather it is to add precision to this important area of work and to provide foundation of further discussion and application of Corporate social responsibility. Efforts should be made by the corporate and government sector to join the corporate social responsibility goals with the sustainable development goals so as to fulfil the global needs. Various underlying concepts can be treated as base for further and deep knowledge about the application of it under various government, semi government, and private organisation. Small medium enterprises (SMEs) can also be covered under the preview of corporate responsibility and business sustainability.

References

1. Elouidani, A. and Zoubir, F. (2015) 'Corporate social responsibility and financial performance', *African J. Accounting, Auditing and Finance*, Vol. 4, No. 1, pp.74–85.
2. ElAlfy, A.; Palaschuk, N.; El-Bassiouny, D.; Wilson, J.; Weber, O. Scoping the Evolution of Corporate Social Responsibility (CSR) Research in the Sustainable Development Goals (SDGs) Era. *Sustainability* **2020**, *12*, 5544. <https://doi.org/10.3390/su12145544>
3. Sheehy, B.; Farneti, F. Corporate Social Responsibility, Sustainability, Sustainable Development and Corporate Sustainability: What Is the Difference, and Does It Matter? *Sustainability* **2021**, *13*, 5965. <https://doi.org/10.3390/su13115965>
4. Burns CJM, Houghton L, Stewart H. Sustainability – A key to Australian finance directors improving their organisation's CSR culture. *Corp Soc Resp Env Ma.* 2019;1–13. <https://doi.org/10.1002/csr.1870>
5. Tilt, C.A. Corporate social responsibility research: the importance of context. *Int J Corporate Soc Responsibility* **1**, 2 (2016). <https://doi.org/10.1186/s40991-016-0003-7>
6. Christopher Wickert, Corporate Social Responsibility Research in the Journal of Management Studies: A Shift from a Business-Centric to a Society-Centric Focus, *Journal of Management Studies*, 10.1111/joms.12775, **58**, 8, (E1-E17), (2021).
7. Dr. Reena Shyam, "AN ANALYSIS OF CORPORATE SOCIAL RESPONSIBILITY IN INDIA" *International Journal of Research – Granthaalayah*, Vol. 4, No. 5 (2016): 56-64.
8. Kadam, Dr. Vrushali Rajaram. "CORPORATE SOCIAL RESPONSIBILITY PRACTICES – A STUDY OF SELECT LARGE-SCALE COMPANIES." *INTERNATIONAL JOURNAL OF MULTIDISCIPLINARY EDUCATIONAL RESEARCH*, 2021: 90-95.
9. PATEL, DR.PARVAT. R. "Corporate social responsibility a path to achieve sustainable development goal." *International Journal of creative research thoughts*, 2020: 559-568.
10. Abad-Segura, E.; Cortés-García, F.J.; Belmonte-Ureña, L.J. The Sustainable Approach to Corporate Social Responsibility: A Global Analysis and Future Trends. *Sustainability* **2019**, *11*, 5382. <https://doi.org/10.3390/su11195382>
11. Hafez, Hassan M. "Corporate social responsibility and firm value: An empirical study of emerging economy." *Journal of Governance and Regulation* , 2016: 40-53.
12. Hortensia Gorski, Mircea Fuciu, Natalia Croitor, Research on Corporate Social Responsibility in the Development Region Centre in Romania, *Procedia Economics and Finance*, Volume 16, 2014, Pages 224-233, ISSN 2212-5671, [https://doi.org/10.1016/S2212-5671\(14\)00795-3](https://doi.org/10.1016/S2212-5671(14)00795-3).
13. Gorski, Hortensia, Mircea Fuciu, and Luigi Dumitrescu. 2017. Sustainability and corporate social responsibility (CSR): Essential topics for business education. *Balkan Region Conference on Engineering and Business Education* 3: 413–21.
14. Lee J-E and Yang YS (2022) The Impact of Corporate Social Responsibility Performance Feedback on Corporate Social Responsibility Performance. *Front. Psychol.* 13:893193. doi: 10.3389/fpsyg.2022.893193
15. Mr. Ravindra Kumar, Ms. Preeti Ruhela : Corporate Social Responsibility (CSR) in India - Issues And Challenges.--Palarch's Journal of Archaeology Of Egypt/Egyptology 18(4). ISSN 1567-214x
16. Dhawan, Shivangi & Samantara, Rabinarayan. (2020). Corporate social responsibility in India: Issues and challenges. *IIMS Journal of Management Science.* 11. 91-103. 10.5958/0976-173X.2020.00008.1.
17. Ahluwalia, R. (2018). Corporate Social Responsibility in India: Evolution Continuum of . *International Journal of Research and Analytical Reviews* , 559-564.



18. Meseguer-Sánchez, V.; Gálvez-Sánchez, F.J.; López-Martínez, G.; Molina-Moreno, V. Corporate Social Responsibility and Sustainability. A Bibliometric Analysis of Their Interrelations. *Sustainability* 2021, 13, 1636. <https://doi.org/10.3390/su13041636>.
19. Yan R, Li X and Zhu X (2022) The Impact of Corporate Social Responsibility on Sustainable Innovation: A Case in China's Heavy Pollution Industry. *Front. Psychol.* 13:946570. doi: 10.3389/fpsyg.2022.946570.
20. Chatterjee, Sheshadri & Chaudhuri, Ranjan & Vrontis, Demetris & Thrassou, Alkis. (2022). Corporate social responsibility in post COVID-19 period: critical modeling and analysis using DEMATEL method. *Management Decision.* ahead-of-print. 10.1108/MD-09-2021-1209.