

Corporate Social Responsibility (CSR) : Insights From A Systematic Literature Review

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Abstract

This systematic literature review focuses on recent studies on Corporate Social Responsibility (CSR), specifically from 2020 to 2024. The review aims to provide a comprehensive understanding of CSR developments, current trends, and theoretical foundations, with particular attention to recent academic contributions (United Nations Global Compact, 2022). This study examines the role of CSR in promoting sustainability across environmental, social, and economic dimensions, analyzes the impact of CSR activities on stakeholders, and identifies research gaps for future exploration. It also discusses the theoretical frameworks commonly used in CSR studies and explores the methodologies used by researchers. (Carroll, AB, & Brown, J, 2022). This study uses a Systematic Literature Review (SLR), which systematically collects, evaluates, and analyzes relevant literature on Corporate Social Responsibility (CSR) to uncover research trends and gaps. One of the important findings is the relationship between CSR and financial performance, which has received considerable attention in recent literature. Many studies highlight a positive correlation, indicating that well-implemented CSR initiatives can enhance brand reputation, customer loyalty, and overall profitability.

Keywords : Corporate Social Responsibility (CSR), and Systematic Literature Review



INTRODUCTION

CSR is a policy and action of a corporation in managing its company in order to provide responsibility to investors, internal employees, suppliers and customers, government, other stakeholders, the environment and society (Zhang & Zhang, 2023). As for the Triple Bottom Line (TBL) concept which has been developed by Elkington (1998) by stating that the sustainability of a company is measured from three main aspects, namely economic, environmental and social. In implementing CSR, it is not only proof of a company's responsibility to the public and the surrounding environment, but it can also provide benefits for the company because CSR disclosure can increase the company's value (Gupta & Krishnamurti, 2021 and Tarjo et al., 2022). Therefore, currently business actors do not only focus on their financial reporting, but are also required to convey their contributions to improving the quality of the economy, society and environment which can be conveyed through corporate social responsibility activities through the disclosure of Corporate Social Responsibility (CSR).

Developments regarding Corporate Social Responsibility (CSR) disclosure are currently a concern for various stakeholders who demand companies to highlight CSR which is one of the tools in increasing customer loyalty which is one of the interests of stakeholders (Islam et al., 2021). CSR in Indonesia itself has grown rapidly in recent years considering the importance of CSR disclosure for companies and also the environment. In the implementation of CSR in Indonesia itself, it has been regulated in Law No. 40/2007 concerning Limited Liability Companies, which includes: regulating companies that are not yet responsive enough in improving the quality of life and the environment. In addition, the implementation of CSR in Indonesia has also been supported by Presidential Regulation No. 59/2017 concerning the Implementation of Sustainable Development Goals as a guideline for business entities to be able to support the Sustainable Development Goals (SDGs) agenda. The regulation emphasizes that the absence of social and environmental responsibility is a very important commitment and must be adhered to by companies in Indonesia (Kartika & Aryani, 2023).

Current studies on CSR in the field of accounting show that there has been a rapid increase in a number of recent knowledge. In accounting, CSR plays an important role because it is part of the information owned by the company and needs to be measured, disclosed and guaranteed by the accounting profession (Huang & Watson, 2015). The development of accounting studies on CSR is the only one studied by Diamond Kartika & Y. Anni (2023), with a review of 263 articles with a period of 2013 to 2022, with article analysis using quantitative methods and qualitative



methods. By using keywords to be able to identify relevant studies, namely "responsibility" to social companies "or" CSR ". By using 35 accredited national journals used by Diamond Kartika & Y. Anni (2023).

Corporate Social Responsibility (CSR) has become an essential component of modern business practice, with organizations increasingly expected to make a positive contribution to society beyond simply generating profits. CSR is a company's commitment to consider the social and environmental impacts of their operations and business activities. SCR encompasses a company's responsibilities to society, the environment, and other stakeholders (Guraika, 2020). CSR integrates ethical, social, and environmental issues into business strategy, recognizing that companies have responsibilities not only to shareholders but also to a wide range of stakeholders, including employees, communities, and the environment. This review aims to provide a comprehensive understanding of CSR developments, current trends, and theoretical underpinnings, with particular attention to recent academic contributions. (United Nations Global Compact, 2022).

RQ₁ : How will CSR research evolve between 2020 and 2024?

RQ₂ : What methodologies are commonly used in CSR studies?

RQ₃ : What is the theoretical framework underlying CSR research?

METHODOLOGY

This review adopts a multidisciplinary approach *systematic literature review* (SLR), which selects articles from leading databases such as ScienceDirect, Emerald Insight, and Wiley Online Library. Inclusion criteria include peer-reviewed journal articles published between 2020 and 2024 with a focus on CSR, sustainability, and their impact on corporate performance and stakeholder relationships. Following the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) guidelines, the articles were reviewed to ensure comprehensive coverage and validity of the findings. (Zhao, L., & Zhu, J. (2021).

This research uses an approach *Systematic Literature Review* (SLR), which systematically collects, evaluates, and analyzes relevant literature on Corporate Social Responsibility (CSR) to uncover research trends and gaps. Articles were collected from leading databases such as Scopus, Web of Science, and Google Scholar, focusing on peer-reviewed journals in management, business, and corporate ethics. Keywords such as "Corporate Social Responsibility," "CSR practices," "CSR impact," and "CSR implementation" were used in the search, combined with



Boolean operators to refine the results. Only peer-reviewed journal articles in English published in the last 10 years were included to ensure quality and relevance, while non-peer-reviewed sources, conference proceedings, and articles in other languages were excluded. Key details of each study such as authors, year of publication, objectives, methodology, findings, and limitations were extracted and coded based on CSR themes such as environmental, social, and governance (ESG) aspects, stakeholder engagement, and supported by quantitative methods such as frequency analysis to highlight the prevalence of CSR themes. Finally, a quality assessment checklist was used to assess the rigor and relevance of each study, by examining aspects such as clarity of the research question and appropriateness of the methodology, which together provide a comprehensive view of CSR research and insights for future studies. Lee, (K.H., Min, B., & Yook, K.H. (2021).

DISCUSSION

Corporate Social Responsibility (CSR)

Increasingly a critical component of business strategy in the global economy. CSR refers to the practices and policies adopted by companies to positively impact society and the environment beyond the goal of generating profits. As society's expectations of businesses continue to rise, CSR has evolved from a fringe activity to a core component of corporate identity and governance. This shift is driven by stakeholders including consumers, employees, investors, and governments who are demanding that companies demonstrate accountability and ethical behavior. As a result, CSR practices have become integrated into the corporate framework worldwide, signaling a commitment to sustainable, ethical, and socially responsible operations. Smith, S., & Johnson, R. (2021).

The concept of CSR is rooted in the idea that companies have responsibilities not only to shareholders but also to other stakeholders affected by the company's actions. Early CSR practices focused more on philanthropy, such as donations to charities and community projects. However, modern CSR encompasses broader responsibilities, including environmental sustainability, fair labor practices, and transparent governance. The development of CSR reflects changing social values and the recognition that sustainable business practices can enhance a company's reputation, attract the best talent, and build customer loyalty. These factors contribute to the long-term success of companies by aligning their goals with the welfare of society. (Velte, P. (2021).



In recent years, the scope of CSR has expanded significantly, with a greater emphasis on environmental, social, and governance (ESG) factors. Environmental responsibility includes reducing carbon emissions, managing waste, and conserving natural resources, while social responsibility includes fair labor practices, community engagement, and human rights. Governance refers to ethical decision-making, transparency, and accountability in corporate management. ESG frameworks have become a primary measure of CSR performance, providing a standard way for investors and stakeholders to assess a company's commitment to CSR.

Academic interest in CSR has grown along with its practical applications, resulting in a wealth of research across disciplines such as business, economics, environmental science, and sociology. Scholars have explored CSR from a variety of perspectives, including the relationship between CSR and financial performance, the influence of CSR on brand loyalty, and the impact of CSR on stakeholder trust. Various theoretical frameworks, such as Stakeholder Theory, Legitimacy Theory, and Institutional Theory, have been applied to understand the motivations behind CSR practices and their implications. These theories help explain how CSR can serve as a tool for achieving corporate legitimacy, stakeholder engagement, and competitive advantage.

The growing importance of CSR has led to the development of international standards and guidelines, such as the Global Reporting Initiative (GRI), the United Nations Sustainable Development Goals (SDGs), and the International Organization for Standardization's ISO 26000 on social responsibility. These frameworks provide best practices for companies to implement CSR, allowing for more consistent and comparable reporting. Despite progress in CSR standardization, challenges remain, particularly in aligning global standards with local contexts and ensuring transparency in reporting. These issues highlight the need for further research to identify effective CSR practices that can be adapted to different cultural and regulatory environments.

This systematic review of the literature aims to synthesize the latest CSR research from 2020 to 2024, focusing on new developments, emerging trends, and sector-specific applications. By reviewing the latest literature, this study seeks to identify gaps in current research and propose directions for future studies. Given the dynamic nature of CSR and its broad implications, this review contributes to a deeper understanding of the role of CSR in promoting sustainable business practices and ethical corporate governance. In doing so, it highlights the potential of CSR as a driving force for positive change in business and society in general. (United Nations Global Compact. (2022).

As the environmental and social challenges facing businesses become increasingly



complex, the role of CSR in addressing these issues is becoming more prominent. Pressures from climate change, resource scarcity, and social inequality have prompted companies to adopt a more holistic approach to CSR, integrating it into their risk management and strategic planning processes. For example, companies are investing in renewable energy, reducing their carbon footprint, and supporting social programs aimed at education, health, and economic development. These CSR efforts not only help companies reduce risk but also position them as leaders in responsible and sustainable business practices.

From a theoretical perspective, CSR has been studied through a variety of lenses that offer unique insights into its motivations and impacts. Stakeholder Theory, for example, posits that CSR arises from the need for firms to serve the interests of all stakeholders, not just shareholders, in order to maintain legitimacy and trust. Legitimacy Theory argues that CSR helps firms align with societal values and expectations, thereby ensuring continued support from society and government. Institutional Theory focuses on how organizational norms and pressure from industry peers influence CSR practices. These frameworks illustrate the multifaceted nature of CSR and describe the factors that drive firms to engage in behaviors that

While CSR has made significant progress in many industries, challenges remain, particularly in emerging markets where regulatory frameworks and enforcement mechanisms may be less developed. In these regions, companies often struggle to implement robust CSR initiatives due to resource constraints, cultural differences, and varying levels of government support. Despite these barriers, research shows a growing commitment to CSR in emerging markets, driven by international trade agreements, global supply chain standards, and the growing influence of multinational corporations. Understanding the unique CSR challenges in these markets is critical to developing tailored CSR strategies that meet local needs while aligning with global standards.

In short, CSR continues to evolve in response to changing societal expectations and global challenges, becoming an essential component of modern business practices. This systematic literature review aims to capture the current state of CSR research, exploring how companies across sectors and geographies integrate CSR into their operations and its impact on business performance, stakeholder relationships, and social outcomes. By consolidating insights from recent studies, this review seeks to provide a comprehensive understanding of the role of CSR and identify research gaps that can guide future academic and practical progress in this field. (Arora, N., & De, P. (2020).

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The Relationship between CSR and Financial Performance

The Relationship between CSR and Financial Performance has become a major topic of academic research. Studies have shown mixed results, with some showing a positive correlation between CSR activities and financial outcomes, while others show insignificant or even negative impacts. Proponents argue that CSR can enhance a company's brand reputation, attract ethical investors, and generate long-term profits. However, critics point out that CSR can be costly and can divert resources from other core business activities. This ongoing debate underscores the need for longitudinal studies and refined methodologies to better understand the financial implications of CSR.

The increased focus on CSR has also driven significant progress in corporate transparency and accountability. More companies are now adopting comprehensive sustainability reporting frameworks, such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) standards, to disclose their environmental, social, and governance (ESG) activities. These reports provide stakeholders with insight into a company's CSR practices, enabling them to make informed decisions. The adoption of standardized reporting frameworks has increased the comparability of CSR data, but challenges remain in ensuring accuracy and preventing "greenwashing," where companies exaggerate their CSR efforts to improve their public image without taking substantive action.

Theoretical Framework in CSR Studies

CSR is often studied through a variety of theoretical perspectives that provide unique insights into its motivations and impacts. Here are some of the main theories that are often used:



- **Stakeholder Theory** : In the research of Kuldeep S & Madhvendra M (2021) who used stakeholder theory in their research. This theory states that CSR arises from the need for companies to meet the interests of all stakeholders, not just shareholders, in order to maintain legitimacy and trust.
- **Legitimacy Theory** : In previous research conducted by Saifi. M (2020) using legitimacy theory. Legitimacy is a state of psychological bias of people or groups that discuss environmental phenomena. This theory argues that CSR helps companies align themselves with the values and expectations of society, thus ensuring continued support from the public and government.
- **Signal Theory**: Research from Lopez- Santamaria et. Al., (2021) which uses signal theory. Organizations often send signals that reduce information asymmetry between them and stakeholders and allow them to communicate their organization's image, goals, behavior and performance, so this can be called signal theory (Karaman et al., 2020).

These theories describe the multidimensional nature of CSR and suggest a variety of factors that motivate firms to engage in socially responsible behavior .

Table 1: Number of Published and Reviewed Studies

No.	Journal Name	Number of Articles
1	Journal of Business Ethics	5
2	Journal of Corporate Social Responsibility	4
3	International Journal of Sustainability	3
4	Cleaner Production Journal	6
5	Sustainability Accounting Review	2
6	Journal of Environmental Management	3
7	Journal of Social Responsibility	4
8	Journal of Corporate Governance	3
9	Business and Society	5
10	Journal of Applied Corporate Finance	2



11	Journal of International Business Research	3
12	Environmental Science and Policy	4
Total		40

CONCLUSION

CSR has evolved from a secondary activity to a core component of corporate strategy. This review highlights the multidimensional nature of CSR and emphasizes its importance in achieving sustainable business practices. By synthesizing the current literature on CSR, this review provides insights into current trends, commonly used methodologies, and areas that require further research. Future research should focus on developing standard metrics to measure the effectiveness of CSR initiatives and understanding the long-term impact of CSR on corporate success. (Kang, J., & Namkung . Y, 2022).

Further analysis shows that there are different approaches taken by companies in CSR, influenced by industry type, company size, geographic location, and cultural factors. Studies show that companies in high-impact industries, such as energy and manufacturing, often prioritize environmental sustainability, while the service sector may focus more on social initiatives and community engagement. These variations underscore the importance of contextualizing CSR practices and strategies based on industry-specific needs and stakeholder expectations, contributing to a deeper understanding of the role of CSR in different sectors. (Lee, K. H., Min, B., & Yook, 2021).

One important finding is the relationship between CSR and financial performance, which has received considerable attention in recent literature. Many studies highlight a positive correlation, indicating that well-implemented CSR initiatives can enhance brand reputation, customer loyalty, and overall profitability. However, some studies also show mixed results, suggesting that the financial outcomes of CSR may depend on factors such as the scope, authenticity, and alignment of CSR with corporate values. This underscores the need for future research to clarify the mechanisms through which CSR influences financial performance and to establish guidelines for businesses in optimizing their CSR investments.

While this review provides valuable insights, there are still some gaps in the existing literature that require further investigation. For example, while much research focuses on the “what” and “why” of CSR, there is little clarity on the specific “how,” processes, and challenges of



implementing CSR at different organizational levels. Furthermore, studies on CSR in developing countries and small and medium enterprises (SMEs) are limited, providing an opportunity to expand research to encompass a broader context. Addressing these gaps could yield more comprehensive insights into the effectiveness and scale of CSR practices globally. (Lee, M., Chen, Y., & Tang, W, 2020).

Overall, this review confirms the importance of CSR as a strategic and ethical imperative for companies. As CSR continues to evolve, future research should focus on refining the CSR framework, exploring industry perspectives, and addressing regional variations to support businesses in creating meaningful and impactful CSR strategies. By deepening our understanding of CSR implementation and its impacts, future research can help companies balance profitability with their social responsibilities, ultimately contributing to sustainable development and positive impacts on society.

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