

# CONCEPTUAL MAPPING OF CORPORATE SOCIAL RESPONSIBILITY IN THE CONTEXT OF SUSTAINABILITY

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## ABSTRACT

*The concept of corporate social responsibility (CSR) relates to stakeholder theory, as it seeks to align corporate decision-making and actions with the interests of all stakeholders. Along with the development of the CSR concept, derivative concepts including corporate social innovation (CSI) and creating shared value (CSV) have emerged, with a distinct focus on sustainability. In this study, a thematic analysis through a bibliometric study was conducted on the most prominent CSR-related keywords from 941 scientific articles published in reputable international journals between 2013 and 2022. Subsequently, a conceptual map pertaining to CSR, CSI, and CSV concepts in the context of sustainability was developed. The conceptual map depicts CSR as the main concept encompassing CSI and CSV (since both concepts were developed from the criticisms and limitations of CSR). The conceptual map shows that CSR, CSI, and CSV are formed by certain theories, assumptions, and concepts. CSR is supported by four underlying concepts, i.e., stakeholder theory, legitimacy theory, Carroll's pyramid, and the triple bottom line. CSI is built upon the underlying concepts of strategic innovation and resource-based view (RBV), while CSV is constructed by the three levels of shared value and social exchange theory. Ultimately, the conceptual map shows sustainability as the culmination of the CSR, CSI, and CSV concepts. This study uniquely utilizes bibliometric and thematic analyses to map the relationship between CSR, CSI, and CSV to sustainability, offering insights for academics and practitioners seeking to integrate social responsibility with their core business strategies for sustainability.*

**Keywords:** *conceptual map, CSR, CSI, CSV, sustainability*

## 1.0 INTRODUCTION

Corporate Social Responsibility (CSR) is a management concept that has greatly evolved since the 1950s. Howard Bowen first defined CSR academically in 1953, as the social responsibility of a business executive who makes decisions based on societal values (Bowen, 2013). In the 1970s and 1980s, the concept of CSR sparked a debate between the paradigms of shareholder theory and stakeholder theory, known as the "Freeman-Friedman debate", i.e., whether a firm's responsibility is largely (and arguably, solely) to increase its value for the sake of its shareholder, or that a firm's responsibility concerns the wider stakeholders and not just its shareholders.

As the Freeman-Friedman debate evolved over the years, more and more companies have embraced and adopted corporate social responsibility (CSR) in varying degrees and various forms. CSR is widely seen as an umbrella term that covers the complex and multidimensional relationships between firms and society, with the understanding that firms' activities have economic, social, and environmental implications (Jamali & Karam, 2016). It is understood that largely any efforts to engage with society, beyond the firms' financial and legal obligations, can be considered a part of CSR (Duarte, 2010). Brown et al. (2022) criticized the overly broad umbrella term of CSR, suggesting the heterogeneity of CSR and its implementation may have diluted the meaning of CSR. Still, CSR has gained considerable attention among corporations, as well as business and management scholars.

Along with the development of the CSR concept, the concept of sustainability has also gained considerable attention in the fields of business and management. The awareness of environmental issues among private firms began in the 1970s, as it became increasingly clear that the earth has ecological limits to be considered, and its implications became increasingly unavoidable for decision-makers and policy-makers (Sheehy & Farneti, 2021). Additionally, the concept of triple bottom line also emerged in the 1990s, stating that the impact of a business cannot be measured solely in financial terms (profit), but also in social terms (people) and environmental impacts (planet) (Elkington, 1998, 2004, 2018). These two concepts, along with the concepts of sustainable development and SDGs, encourage companies to be more strategic and innovative in implementing CSR.

Civera and Freeman (2019) argued that CSR should incorporate essential responsibilities to create higher value for various stakeholders—including society and the environment. Several critics argued that in its implementation, CSR could become somewhat of a “tick-box” exercise (i.e., doing something merely as a way of fulfilling an obligation), rather than actively seeking out innovative solutions to address pressing societal issues (Bondy, 2008; Jumde, 2021). As CSR doesn't go far enough in innovating sustainable solutions to address societal issues, a more proactive and innovative approach is needed.

Beginning in the late 1990s and early 2000s, a new paradigm emerged in response to CSR's shortcomings. It involves social innovation with strategically designed R&D to meet societal concerns by developing business ideas and technologies, finding and serving new markets, and solving long-term societal problems (Kanter, 1999). This concept is known as Corporate Social Innovation (CSI), referring to strategic investments by firms to co-create value and sustainable solutions (for and with society) that can become a source of competitive advantage (Mirvis et al., 2016).

This concept also intersects with the concept of Creating Shared Value / Corporate Shared Value (CSV), first introduced by Porter and Kramer (2011). CSV goes further than CSR by creating new opportunities and value motivated by internal desire and the need to create shared value with society (Wójcik, 2016). CSV connects corporate success and societal progress (Baldo, 2014), by simultaneously creating economic and social values (Menghwar & Daood, 2021). Based on the development of CSR and its related concepts (i.e., CSI and CSV) in light of sustainability, the authors aim to depict these concepts in an integrative conceptual map. This paper is a literature study of reputable scientific publications related to the concepts of CSR, CSI, CSV, and sustainability. Utilizing bibliometric and thematic analyses, the authors aim to develop a comprehensive conceptual map relating CSR, CSI, and CSV to sustainability. The paper is aimed at providing valuable insights for academics and practitioners in the fields of CSR and strategic management, and offering a guide for organizations seeking to align their social responsibility initiatives with their core business strategies to achieve sustainability.

## 2.0 LITERATURE REVIEW

In light of the “Freeman-Friedman debate”, Milton Friedman argued that the main role of firms is to achieve societal welfare in a utilitarian manner, i.e., through profit maximization to meet shareholder expectations (Wójcik, 2016). A firm's primary concern, according to Friedman, is to maximize profits for shareholders. As such, firms should focus on their financial well-being and legal standings, with the explicit notion that “the social responsibility of business *is* to increase

its profits” (Friedman, 1970). Pursuing other objectives, including social and environmental responsibilities (in the broader sense than pursuing profits), is short-sighted and can even be detrimental to firms’ survival while undermining the free market system. As social or environmental concerns are the concerns of individuals and governments, corporations should not concern themselves with such issues.

Meanwhile, Freeman argued that firms also have the responsibility to meet the expectations of various stakeholders including employees, government, and society (beyond the interests of the shareholders alone), to increase their legitimacy and recognition in the eyes of the wider society (Kim & Scullion, 2013). First published in 1984, R. Edward Freeman’s “Stakeholder Theory of the Modern Corporation” (1998) suggested that firms should strive to create value for all stakeholders, beyond merely maximizing for shareholders—the opposite of Friedman’s assertion.

While this debate went on for several decades, Freeman (2008) proposed to end the so-called debate by stating that the difference between the two perspectives lies in how Friedman and Freeman view the nature of corporate responsibility—suggesting that Friedman’s view is more narrow while Freeman took on a wider view of corporate responsibility. Another way to view these perspectives is by looking at them on the continuum of business ethics, whether firms focus on inward-looking shareholder responsibilities on one end, and focus on outward-looking broader stakeholder responsibilities on the other end (Hühn, 2023).

In many ways, CSR and stakeholder theory overlap, as the two concepts emphasize how societal concerns are important for corporations to address (Freeman & Dmytriyev, 2017). This is especially true as businesses and corporations are embedded in society and the environment in which they exist. As such, firms have some responsibilities to society and the environment. The difference between CSR and stakeholder theory lies in the scope and breadth. While stakeholder theory focuses on efforts within firms’ reasonable reach (e.g., local community or surrounding environment), CSR could have a broader social and environmental orientation and thus can be implemented more strategically to support certain causes or concerns specific for each firm (Freeman & Dmytriyev, 2017).

In light of the criticism that CSR could potentially become merely another “box to tick” to maintain or improve corporate reputation or public image (Bondy, 2008; Jumde, 2021), Kanter (1999) introduced the concept of Corporate Social Innovation (CSI). This concept answers the criticism that CSR could be disconnected from a company’s core business strategy (McLennan & Banks, 2019; Porter & Kramer, 2006), and that CSR initiatives are often limited in scope and do not adequately address the root causes of social and environmental problems (Murray et al., 2010). With CSI, firms can not only engage in social responsibility (i.e., “doing good”), but also strategically design social innovation concerning societal needs through the development of business models and technology to solve relevant and scalable societal problems (i.e., “doing well by doing good”). The investment and innovation involved in CSI is strategic, to co-create value and sustainable solutions together with and for the benefit of society, which according to Mirvis et al. (2016) can become a source of competitive advantage. In CSI, the paradigm of innovation is embedded as a source of differentiation to achieve competitive advantage (i.e., the outcome for the organization) while creating societal and environmental shared value (i.e., the outcome for society) (Jayakumar, 2017).

Building upon the concepts of CSR and CSI, the concept of creating shared value / corporate shared value (CSV) also emerged in the 2000s. CSV evolved from the concepts of CSR and CSI, both of which developed from the idea of “doing well by doing good” (Ni et al., 2015) and “being the best for the world; not just the best in the world” (Illia et al., 2022). While CSR tends to focus on external opportunities “to do good” (Marin et al., 2017) and CSI focuses on internal core competencies to be “the best for the world” (Googins, 2013), CSV refers to the effort to create new opportunities motivated by the desire and need to create value together (value co-creation) with society (Wójcik, 2016). In the context of CSV, shared value involves addressing social/environmental concerns with novel business models that create economic and social values, and can take advantage of economies of scale. CSV interweaves firms’ core competencies with identified societal concerns, by leveraging unique resources and capabilities to address those concerns, while also creating economic value (Jamali et al., 2015).

### 3.0 METHODOLOGY

This literature review was conducted in two stages. In the first stage, a bibliometric study was conducted on literature taken from reputable databases in the past ten years (2013-2022) with certain keywords (i.e., CSR, CSI, CSV, and sustainability). In the second stage, the authors continued with a thematic literature study by searching for specific literature from reputable journals that discuss concepts relevant to this study, to arrive at a conceptual map. The good practice of writing a systematic review article (Paul & Criado, 2020) was followed, consisting of (1) topic determination, (2) identification and selection of publication streams and publication periods, (3) keyword-based article search based on inclusion criteria, and (4) review of relevant literature. In terms of topic determination, the authors identified the topics of corporate social responsibility (CSR), corporate social innovation (CSI), and creating shared value (CSV)—discussed in the context of sustainability. In terms of identification and selection of publication streams and publication periods, the authors followed the good practice suggested by Paul & Criado (2020) by reviewing articles in journals published in reputable databases within the past 10 years, (i.e., between 2013 and 2022).

In the processes of article search and literature review, the authors adhered to the SPIDER (Sample, Phenomenon of Interest, Design, Evaluation, Research type) approach (Cooke et al., 2012). This approach is an effective framework for formulating eligibility criteria in qualitative systematic reviews (Amir-Behghadami, 2021). The *Sample* in this study included articles from reputable journals published in respectable databases, specifically discussing CSR, CSI, CSV, and sustainability. The inclusion criteria included articles published in English from reputable international journals in selected databases (i.e., ScienceDirect, Emerald, and SAGE databases). In the first stage of this study, the keywords used in the Boolean search of the selected databases were: (“CSR” OR “corporate social responsibility”) AND “sustainability.” The authors used these search terms in the title, abstract, and keyword fields of the articles. In the second stage, a more specific search was conducted using a snowball sampling approach, on the relevant concepts related to CSR, CSI, CSV, and sustainability.

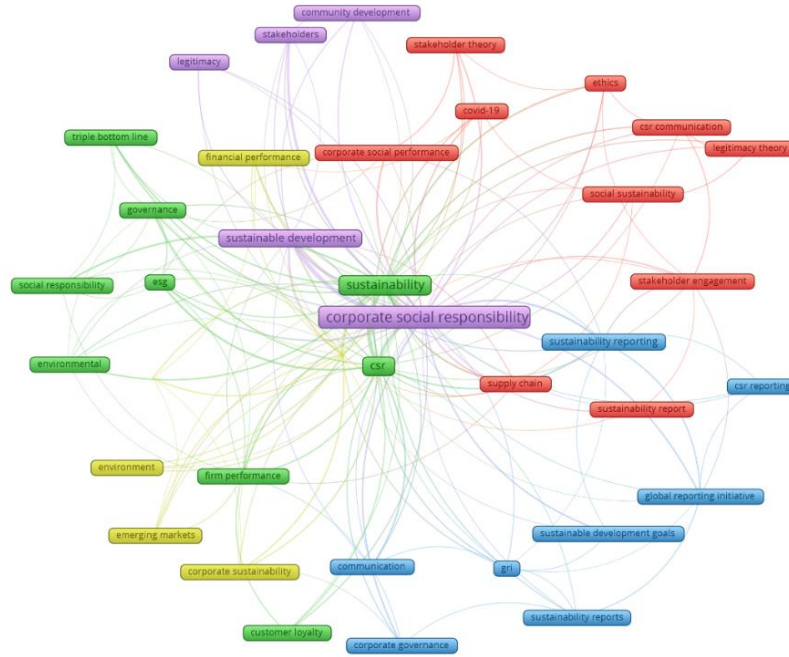
The *Phenomena of Interest* examined were the concepts, themes, and trends within CSR, CSI, CSV, and sustainability scholarship. This study used the bibliometric analysis design (in the first stage) and content analysis (in the second stage) to produce a conceptual map. The authors used VOSViewer to help visualize the cluster results from the bibliometric analysis, while the application Diagrams.net was used to create the conceptual map. The *Evaluation* in this study was conducted on the results of the bibliometric study, in the form of keywords related to CSR and sustainability (first stage), as well as on the results of the search for specific concepts related to CSR, CSI, CSV, and sustainability (second stage). Meanwhile, the *Research type* analyzed in this study included empirical research and literature studies, either using qualitative, quantitative, or mixed methods.

## 4.0 RESULT AND DISCUSSION

### 4.1 Bibliometric Analysis

In the first stage of this study, the authors conducted a bibliometric analysis on the abstract metadata of scientific articles published in select internationally reputable databases (ScienceDirect, Emerald, and SAGE). After going through the identification process on the keywords (“CSR” OR “corporate social responsibility” AND “sustainability”), as well as the subsequent extraction process, the authors collected the metadata from 524 journal articles in ScienceDirect database, 248 journal articles in Emerald database, and 169 journal articles in SAGE database (a total of 945 articles)—all published between 2013 and 2022. The authors chose to use CSR for the first stage of this because as an umbrella term, CSR yielded more results in terms of quantity, topic breadth, and variety.

After paying attention to duplications in the selection and eligibility stages, four articles were excluded and a total of 941 articles were included. Next, the author conducted keyword co-occurrence analysis on the selected articles with the help of the VOSviewer application. The frequency calculation method was done using the “full counting” approach with a minimum threshold on the appearance of any specific keyword is four (i.e., a specific keyword must appear in at least four different articles). From this process, a network visualization map was created based on the co-occurrence of 38 keywords, to further explore the themes of CSR and sustainability (Figure 1). From the 38 keywords found, the authors identified five thematic clusters, each representing a specific concept related to CSR (Figure 1 and Table 1).



**Fig. 1:** Network Visualization Map of CSR and Sustainability

As shown in Figure 1, the relationship between CSR and sustainability is clear. CSR and sustainability are also closely related to triple bottom line, corporate sustainability, and sustainable development concepts. In addition, the mapping identified the concepts on which CSR was built (e.g., stakeholder theory, legitimacy theory, and ethics). The visual mapping also indicated the development of initiatives related to CSR (e.g., Global Reporting Initiative, CSR reporting, and Environmental Social Governance), while also showing the implications of CSR (e.g., firm performance, stakeholder engagement, and corporate sustainability). The bibliometric analysis also produced a series of clusters that connected related keywords, as shown in Table 1.

**Table 1: Thematic Clusters on the Concepts of CSR and Sustainability**

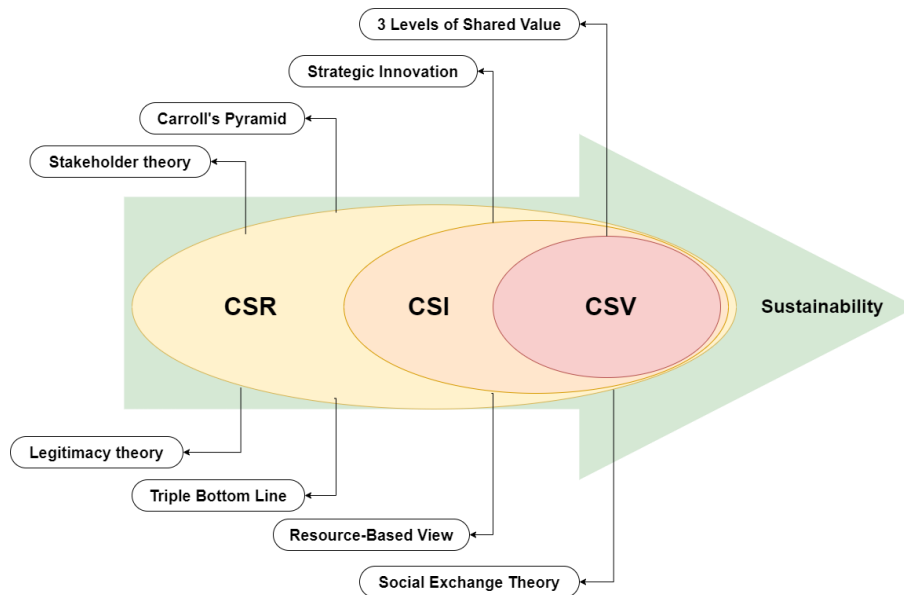
Cluster	Theme	Sub Themes
1 (Red)	CSR, stakeholder theory, and legitimacy theory	Corporate social performance, ethics, stakeholder engagement, stakeholder theory, legitimacy theory
2 (Green)	CSR, sustainability, and the triple bottom line	Environmental Social Governance (ESG), firm performance, sustainability, triple bottom line
3 (Blue)	CSR and its reporting	Global Reporting Initiative (GRI), CSR reporting, sustainability reports, communication
4 (Yellow)	CSR and corporate sustainability	Financial performance, corporate sustainability, environment
5 (Purple)	CSR and sustainable development	Community development, sustainable development, stakeholders

#### 4.1 Thematic Analysis and Conceptual Map

While the bibliometric analysis yielded network visualization mapping and clustering of themes, the authors aimed to further explore the main concept of CSR, as it relates and branches out to the concepts of CSI and CSV, in the context of sustainability. Using the snowball approach, the authors conducted a purposive search of relevant literature indicating the evolution of the CSR concept, especially in the 2010s and 2020s. This evolution of the CSR concept is primarily based on the paradigm shift of corporate responsibility, which has increasingly involved strategic innovation, resulting in the development of new concepts rooted in CSR, i.e., Corporate Social Innovation (CSI) (Mirvis et al., 2016; Saka-Helmhout et al., 2021), and Creating Shared Value / Corporate Shared Value (CSV) (Lim & Lee, 2022; Porter & Kramer, 2011).

A further review of the concepts that build CSR indicates four underlying theories: (1) stakeholder theory (Brown & Forster, 2013; Freeman & Dmytriiev, 2017), (2) legitimacy theory (Raimo et al., 2021), (3) Carroll's pyramid (A. Carroll, 1991; Wagner-Tsukamoto, 2018), and (4) triple bottom line (Carroll, 1991). Meanwhile, CSI is built by two underlying concepts: (1) strategic innovation (Drejer, 2006; Lindberg & Portinson Hylander, 2017), and (2) resource-based view (Adel et al., 2021; Battisti et al., 2022). Meanwhile, two underlying concepts constructed CSV: (1) the three levels of shared value (Ollivier de Leth & Ros-Tonen, 2022; Porter & Kramer, 2011), and (2) social exchange theory (Ham et al., 2020; Lindrawati & Riyanto, 2022).

From the conceptual review of the building blocks of CSR, CSI, and CSV, the authors constructed a conceptual map, shown in Figure 2. This concept map shows that CSR is the broadest concept of the three, which encapsulates both CSI and CSV. This is because CSR was the first concept to emerge and to be developed since the 1950s, both on the macro and micro levels, as it pertains to business ethics and firm performance (Bowen, 2013; Lindgreen & Swaen, 2010). Further, the map illustrates that CSI is a subset of CSR, meaning that every CSI initiative can also be considered a form of CSR, but each CSI is not necessarily CSR. CSI is also placed to the right of CSR, depicting the efforts of moving forward towards sustainability, because the CSI concept is considered more evolved in enabling firms in their efforts to support sustainability. The conceptual map also shows CSV as a subset of CSI, because CSV is a further innovative step by firms to involve stakeholders even more in creating shared value. Similarly, CSV is also placed to the right of CSI and CSR, as this concept is seen as a further evolution of CSR (and subsequently CSI), leading towards sustainability.



**Fig. 2:** Conceptual Map of CSR, CSI, and CSI Concepts in the Context of Sustainability

#### 4.1.1 CSR and its Underlying Concepts

As shown in Figure 2, CSR is built by four underlying theories or concepts. The first of which is stakeholder theory, stating that the essence of the firm is to build relationships and create value for all its stakeholders (Freeman & Dmytriyeu, 2017). The interests of the firms' stakeholders are interconnected, and as such firms' performance is ultimately tied to the well-being of all stakeholders. Freeman (1998) suggested that firms should consider the needs and concerns of all stakeholders in their decision-making processes. Stakeholders in this perspective include owners/shareholders, employees, investors, customers, suppliers, and the general public. Management is accountable to all stakeholders, as all stakeholders are considered important to the firm. As such, firms should avoid trade-offs between the interests of one stakeholder group and another, to create value that addresses the interests of all stakeholders (Freeman & Dmytriyeu, 2017). Management should balance the interests and concerns of all stakeholders, ultimately leading to a common goal or direction. As such, CSR that is well-aligned with the interests of all stakeholders is important. Adam Smith, the father of modern economics, coined the term "benevolence"—indicating firms' voluntary efforts for the betterment of society (Brown & Forster, 2013). In today's day and age, firms' "benevolence" can be loosely described as CSR.

The second underlying concept supporting the concept of CSR is legitimacy theory, which directs corporate actions as feasible, appropriate, and following the construction of social norms and values in society (Deegan, 2014). Legitimacy theory focuses on the interaction between the firm and society. According to this theory, firms must act in a socially responsible manner, and be perceived as such by their stakeholders, as firms' long-term success is inextricably linked to stakeholders' support and approval. Legitimacy theory is related to the mechanisms supporting firms in their efforts to develop and implement social and environmental responsibility disclosure/reporting (Schiopoiu Burlea & Popa, 2013). The theory implies that if firms' actions are not in line with the prevailing social norms, then the firms could be "punished" by society, through boycotts, negative PR, etc. Firms' legitimacy can be questioned when they do not disclose or report their social responsibility efforts (CSR) to relevant stakeholders (Raimo et al., 2021). Ultimately, firms must engage in activities perceived as socially desirable and must communicate their social responsibility efforts effectively to relevant stakeholders. Failure to do so may lead to reputational damage and loss of legitimacy.

The third support for CSR comes in the form of Carroll's pyramid (1991), depicting corporate social responsibility as a four-tiered pyramid. It is formed by four elements (levels). On the base is corporate economic responsibility to generate profits and

maintain profitability. Firms need to make profits to survive and thrive in increasingly competitive markets, as they are also expected to engage in fair competition and avoid fraudulent activities (Baden, 2016). The second level is corporate legal responsibility to heed all applicable laws and regulations prescribed by the jurisdiction in which firms operate. Additionally, firms must follow societal rules set forth by the actors involved, be it the local community, the state, or governing organizations (e.g., associations) (Sheehy & Farneti, 2021). The third level is corporate ethical responsibility to do what is right, fair, and just. It refers to the responsibility to act in a morally upright and socially responsible manner, even beyond what is required by law, by considering the ethical implications of firms' decisions and actions (Carroll, 2016). Ethical responsibility also involves avoiding harmful behaviors toward all stakeholders and society (Sheehy & Farneti, 2021). The pyramid culminates in corporate philanthropic responsibility, either based on altruistic motivation or on a more practical approach to demonstrate good corporate citizenship (Carroll, 2016). Figure 3 illustrates the Carroll Pyramid.



**Fig. 3:** Carroll's Pyramid (Carroll, 2016)

From the depiction of Carroll's pyramid, CSR is considered the pinnacle of firms' responsibility to contribute their resources (including but not limited to financial, physical, and human resources) and capabilities for the good of society, while also improving the quality of life of the communities in which it operates (Carroll, 2016; Sheehy & Farneti, 2021). According to Carroll (2016), the first two levels (i.e., corporate economic and legal responsibilities) are required by society, while corporate ethical responsibility is expected by society, and corporate philanthropic responsibility is desired by society. Baden (2016) even suggested a reconstruction of the pyramid, which should be based on ethical responsibility at the bottom level, legal responsibility on the second level, economic responsibility on the third level, and philanthropic responsibility on the ultimate level.

The fourth concept supporting CSR is the triple bottom line. This concept was first proposed by Elkington (1998), refined (Elkington, 2004), and subsequently reevaluated (Elkington, 2018)—all with the paradigm that firms not only exist solely to generate *profit*, but also to consider social responsibilities (*people*) and environmental responsibilities (*planet*) in ensuring long-term sustainability. Figure 4 shows the interaction between *profit* as it relates to *people* (community, education, equity, social resources, welfare, and quality of life), and *planet* (natural resources and conservation). The intersection between profit and people is equity or social justice; the intersection between profit and planet is business operations that pay attention to viability or sustainability; the intersection between people and planet is a society that can sustain needs (bearable); while the intersection between the three is sustainability (Dalibozhko & Krakovetskaya, 2018). This concept is in line with the main concept of CSR, which refers to corporate responsibility towards society and the environment. CSR enables firms to operate



within the TBL framework by defining specific actions and initiatives to address profit, people, and planet. For example, firms may implement energy-efficient practices to reduce the environmental impact (Ertem-Eray, 2020), and adopt fair employment practices for social impact (Alsamawi et al., 2014).



**Fig. 4:** Triple Bottom Line Concept (Source: Dalibozhko & Krakovetskaya, 2018)

#### 4.1.2 CSI and its Underlying Concepts

From the concept of CSR, which is supported by four underlying relevant theories/concepts described above, the derivative concept of corporate social innovation (CSI) emerged. CSI involves conscious and strategic investments to co-create value and sustainable solutions (for and with society), which could simultaneously help solve societal and environmental problems while improving economic and financial performance for firms engaging in it (Mirvis et al., 2016). In contrast with CSR's generic approach in addressing societal issues, CSI proposes a more integrated approach and innovative solutions that can create value for both society and the company. When properly institutionalized in corporations (in terms of stakeholder engagement, operational structures and processes, and organizational culture), CSI may create competitive advantage for firms (Herrera, 2015).

By design, the CSI concept goes beyond CSR, involving social innovation, strategic design, and R&D to meet societal needs by developing business ideas/models and technologies (Vrontis et al., 2021), finding and serving new or underserved markets (Mirvis et al., 2016), and solving long-standing business problems (Martinez et al., 2017). Therefore, as depicted by Figure 2, the CSI concept is placed inside and to the right of CSR in the conceptual map, as it is a strategic and innovative manifestation of CSR that leads towards sustainability.

There are two underlying concepts supporting CSI: strategic innovation and resource-based view (RBV). CSI must be based on strategic innovation, as well as its alignment with firms' social activities by optimizing internal resources and capabilities. Drejer (2006) defines strategic innovation as the ability to create and revitalize business ideas by paying attention to (or if necessary, changing) the dynamism of market share, core competencies, and business systems. Strategic innovation supports CSI because in designing and implementing CSI, companies must be able to think strategically and innovatively about how socially responsible actions are aligned with the general corporate strategy (Herrera, 2015). CSI is more advanced than CSR because CSR is merely expected to link the interests of the firms and their stakeholders (Taghian et al., 2015), while CSI necessitates that the socially responsible actions for the benefit of society be aligned with overall corporate strategy and business needs (Mirvis et al., 2016). One study found that by engaging in CSI, firms can create new business opportunities and enhance their reputation while contributing to society (Cohen et al., 2020).

The second concept that supports CSI is resource-based view (RBV). Battisti et al. (2022) noted that RBV and its VRIO concept (valuable, rare, inimitable, organization) enhance firm performance, and that the development of competitive advantage may include CSR and CSI efforts related to the strategic and innovative issues undertaken. RBV also suggests that firms' innovations and capabilities may also become the source of competitive advantage. One study found that CSI-related concepts of social awareness, intention for social innovation, organizational structure for social innovation, and innovativeness in social value creation positively and significantly contribute to sustainable competitive advantage (Adel et al., 2021). Another study asserted that green human capital and green structural capital (all important parts of internal resources) are important factors that significantly contribute to corporate social innovation (Sheikh, 2021). Firms with innovative sustainable supply chain practices may also be able to reduce costs and increase efficiency, giving them competitive advantage over competitors while simultaneously doing good for the environment (Mirvis & Googins, 2018). In the end, CSI and RBV are related to sustainability as both emphasize the importance of leveraging internal resources and capabilities to create competitive advantage, with CSI focusing on creating value and addressing social/environmental concerns through innovation, and RBV providing the underpinnings for understanding how sustainability-related capabilities can become the source of competitive advantage.

Compared to CSR, CSI is considered more sustainable and long-term because it involves innovative and strategic investments in line with firms' resources and strategic direction, such that the link-and-match between social responsibility programs and core competencies is more apparent. For example, Samsung Indonesia designed the Samsung Tech Institute (STI) as a CSI effort developed jointly with the Indonesian Ministry of Education and Culture to increase the number and quality of ready-to-be-employed vocational high school graduates, by aligning the Handheld Product (HHP), Home Appliances (HA), Audio Video (AV) curricula between schools and the industry, involving 80 vocational schools and over 30,000 students annually (Samsung Indonesia, 2022). This CSI effort is both innovative and strategic because it is in line with Samsung's business model (i.e., information technology and handheld devices), while preparing reliable prospective workers and simultaneously motivating potential loyal customers for its products and ecosystems.

### **4.1.3 CSV and its Underlying Concepts**

Building upon the concepts of CSR and CSI, the concept of creating shared value / corporate shared value (CSV) has also emerged. CSV evolved from the concepts of CSR and CSI, both of which developed from the idea of "doing well by doing good" (Ni et al., 2015) and "being the best for the world; not just the best in the world" (Illia et al., 2022). While CSR tends to focus on external opportunities "to do good" (Marin et al., 2017) and CSI focuses on internal core competencies to be "the best for the world" (Googins, 2013), CSV refers to the effort to create new opportunities motivated by the desire and need to create value together (value co-creation) with society (Wójcik, 2016). In the context of CSV, shared value involves addressing social/environmental concerns with novel business models that create economic and social values, and can take advantage of economies of scale.

CSV is built on two related concepts: (1) the three levels of shared value, and (2) social exchange theory. The concept of three levels of shared value was first introduced and developed by Porter & Kramer (2011). The first level is meeting the needs of society and serving previously unreached market segments, through innovative products with high economic value for the firm and high social value for the society. For example, the Samsung Samsung Smart Learning Class program provides interactive, innovative, and fun learning experiences using technologies such as Samsung tablets and Samsung Gear VR as learning solutions for the digital era (Samsung Indonesia, 2022). This CSV effort reaches schools in medium-sized cities, small towns, and rural areas that previously have not been reached by such higher-level educational technology. It utilizes Samsung's core competencies, taking advantage of its ability to provide it to scale while

addressing a pressing societal issue (i.e., the lack of exposure to technology for schools in rural areas).

The second level of value is associated with the firms' efforts to redefine productivity in the value chain by creating new ways to address value chain issues, creating value through the value chain, and engaging in inclusive innovation (Laudal, 2018). As a concrete example, Samsung Indonesia through its Samsung Tech Institute (STI) creates value by increasing the exposure of vocational students and teachers (through the Samsung Innovation Campus; SIC) to Samsung products and ecosystems (Samsung Indonesia, 2022). Research has shown that positive brand exposure tends to increase trust, purchase intention, and willingness to recommend (Jin et al., 2019). Samsung Indonesia's Tech Institute is an example of a unique way to create value through novel supply chains, by exposing thousands of Indonesian young students and their teachers (who are all in the firm's target market) to how well Samsung products can be used and intertwined in their day-to-day and academic lives.

The third level of value relates to the firms' efforts to co-create value with society by improving the skills of the supplier base and prospective workers, and by supporting institutions that impact the business (Laudal, 2018). For example, through the Samsung Tech Institute (STI) and Samsung Innovation Campus (SIC), Samsung Indonesia trains future workers in IT and equips them with highly relevant skills for Samsung as well as other tech firms operating in Indonesia. Thus, when hiring and training new employees, those who have received training through STI and SIC would be easier to recruit and train, which in turn could help the company through savings in the investment for new hires and training costs.

CSV is also supported by social exchange theory, which states that exchanges between two or more parties in a social construct involve cost-and-benefit analysis to assess potential risks and benefits (Cook et al., 2013). Social exchange theory (SET) is an emerging theory in the management domain, which also underscores the importance of exchanges between firms and the communities in which they operate. Based on the social exchange theory, Lim and Lee (2022) stated that through CSV, firms may contribute to solving social problems inadequately addressed by the public and the non-profit sectors. These areas of concern may include quality of life, health, climate change, and skill gaps for prospective workers. Meanwhile, the firms may simultaneously develop their competitive advantage, while at the same time addressing real and pressing societal concerns.

In CSV, trusting relationships are very important to build and create shared value (Lindrawati & Riyanto, 2022)—which not only takes into account the interests of management and the company, but also the needs of the consumer community as stakeholders (Ham et al., 2020). For instance, Samsung Indonesia's efforts through its STI and SIC are both strategic efforts that are in synergy with the firm's business model as a technology company. The efforts are also right on target because they target students and students who are studying IT but require hard skills that are better aligned with the needs and requirements of the business world. This effort may, in turn, help Samsung by creating a pool of ready-to-hire labor candidates. The students and teachers have also been exposed to Samsung's brand, products, ecosystem, and work system so that a relationship has begun to form between the firm and the community (both as prospective employees, prospective vendors/suppliers/distributors in the supply chain, as well as prospective loyal customers. In the end, social exchange theory is relevant to CSV as both underscore the importance of creating a mutually beneficial exchange between firms and society, noting that firms should engage in social and environmental initiatives that create value for both the company and its stakeholders, as well also co-create solutions to build stronger relationships with various stakeholders.

## **5.0 CONCLUSION**

Based on bibliometric analysis of the metadata of scientific articles in selected reputable international journals (n=941 articles), the author found CSR-related themes that have become important research topics in the last 10 years, including stakeholder theory, legitimacy theory, sustainability, triple bottom line, reporting, corporate sustainability, and sustainable development. Upon further exploration in the thematic analysis stage, the authors developed a

conceptual map relating CSR (and the related concepts of CSI and CSV) to sustainability. CSR is built by four underlying theories/concepts: stakeholder theory, legitimacy theory, Carroll's pyramid, and the triple bottom line. Subsequently, several concepts have also evolved and derived from CSR, namely corporate social innovation (CSI) and creating shared value / corporate shared value (CSV). CSI is built upon the underlying concepts of strategic innovation and resource-based view (RBV), while CSV is constructed by the three levels of shared value and social exchange theory. Ultimately, the culmination of the concepts and implementation of CSR, CSI, and CSV is sustainability. Therefore, companies must pay attention so that their actions do not only fulfill the interests of one party (e.g., management or shareholders) but also pay attention to the overarching interests of all stakeholders, as well as concerns for societal and environmental issues, while applying strategic innovation in each socially responsible action undertaken.

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