

Planning For Sustainability: Leveraging Csr to Achieve Sustainable Development Goals

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Abstract

In today's business world, it's crucial for organisations to align with sustainability goals for ongoing growth. This paper aims to create a clear plan that shows how initiatives for sustainable development and Corporate Social Responsibility (CSR) practices are connected and influence each other. The Sustainable Development Goals (SDGs), introduced by the United Nations in 2015, consist of 17 goals to tackle global challenges and promote sustainable development. These SDGs offer a comprehensive framework for dealing with worldwide issues. Like many other countries, Malaysia faces various obstacles to sustainable development. In the organisational context, CSR practices play a role in supporting the SDGs, ensuring a balance among the needs of all stakeholders.

Keywords: CSR, Organisational sustainability, Sustainable development,

Introduction

Sustainable development is defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs and goals. Sustainable development integrates economic, social, and environmental sustainability-- with the eradication of poverty and income equality as key important goals. However, indicators and empirical evidences suggest that sustainable development still requires a major leap from being achieved. Pollution, resource depletion, environmental degradation, increasing waste, poverty, declining quality of life, the spread of disease, and other factors continue to threaten environmental sustainability and human well-being (Glavic, 2021).

In 1987, the World Commission on Environment and Development (WCED), also known as the Brundtland Commission, defined sustainable development as development that meets the needs

of the present without compromising the ability of future generations to meet their own needs (Ashrafi et.al.). This concept of sustainability has attracted scholarly interest and has been discussed since the late 1960s, initially focusing on environmental assessment. However, in the 1970s, sustainability became an ongoing topic of discussion, taking into consideration economic and social development aspects.

The issue of sustainable development is not a novel problem that affects Malaysia or the world at large. Malaysia as a developing country--still faces sustainability challenges. This is a result of the development patterns practiced by many countries that exploit and deplete natural resources for economic purposes. Human activities at various scales are the primary drivers of environmental challenges faced by humanity (Nikolaou et.al, 2019; Shubham et.al, 2018). In addressing these challenges, the Malaysian government considers all aspects of national development activities to be in line with the demands of Agenda 21 towards achieving developed nation status. Policies such as the National Development Policy, National Environmental Policy, New Economic Policy, Vision 2020, and Sustainable Development Goals (2030) are among the frameworks and policies that integrate the concept of sustainable development.

What is Organisational Sustainability?

The sustainability of an organisation typically requires an innovative business model that can support the management of social and environmental activities in a systematic way (Awan et.al, 2019). *Organisational sustainability* originates from the concept of sustainability, which emphasises three factors; the environment, profitability, and social aspects. This holistic approach recognises that organisations need to consider not only their financial performance but also their impact on the environment and society. As stated by Elkington (1997), "Sustainability is about taking a wider, longer-term perspective on business and the responsibility for thinking through the consequences of their actions".

Environmental sustainability involves managing resources responsibly, minimising ecological impacts, and adopting practices that mitigate environmental degradation. Profitability, on the other hand, refers to the financial viability and long-term economic success of the organisation. Lastly, social sustainability entails considering the well-being of stakeholders, including employees, customers, local communities, and society at large. According to Bansal and Des Jardine (2014)

Social sustainability refers to the ability of a business to contribute to societal well-being by minimizing its negative impacts and maximising its positive impacts.

By incorporating these three dimensions of sustainability, organizations can strive for long-term success, minimising harm to the environment, and maximising positive social contributions. As noted by Carroll (2015), "Sustainable organisations must demonstrate a keen awareness of their responsibilities to the natural environment, their employees, their customers, and the societies within which they operate". organisational sustainability necessitates a comprehensive approach that integrates environmental, economic, and social considerations. By embracing this multidimensional perspective, organisations can aim for enduring success while fulfilling their responsibilities towards the environment, stakeholders, and society.

What is Corporate Social Responsibility (CSR)

CSR is a concept that refers to the ethical practices and social engagements of a business towards its stakeholders and the environment. Many companies are adopting CSR initiatives to commit socially responsible actions and seek to create a positive impact on society and the environment.

CSR is a dynamic process that involves businesses integrating social and environmental concerns into their operations and carrying out activities that benefit society beyond their core business (Zhang & Berhe, 2022). CSR initiatives can range from charitable giving, green energy investment to volunteering activities (Niyommaneerat, et.al,2023; Singh & Misra,2022). The primary objective of CSR is to create a balanced relationship between a company's economic, environmental, and social performance. This approach helps companies to gain and maintain the trust of its stakeholders, including customers, employees, communities, and shareholders. Additionally, by positively contributing to the society and environment, companies achieve long term sustainability- which is the ability to meet their present needs while also preserving resources for future generations (Dartey-Baah & Amponsah-Tawiah, 2011; Zheng et al., 2015).

Effective communication and transparent reporting of CSR initiatives are crucial for organisations aiming to achieve *organisational sustainability*. Pollach et al. (2014) emphasised the role of corporate communication, stating, Corporate communication functions play a vital role in facilitating the exchange of information between the organisation and its stakeholders, ensuring transparency and accountability. Clear and comprehensive reporting enhances stakeholder trust, strengthens relationships, and reinforces the organisation's commitment to sustainability.

In recent decades, the pyramid CSR has become one of the dominant paradigms in this area of research. The economic dimension of CSR is crucial for a firm's financial performance and long-term viability. This dimension is measured through activities for economic generation and income, training and courses, resource conservation measures, employment opportunities, and service quality monitoring (Kim et al., (2017).

The second dimension is the legal aspect--referring to the actions and practises that guarantee firms comply with applicable laws, rules, and legal requirements while they are operating their business operations (Hassan2017; Puspa & Wijaya, 2018; Yakovleva & Vazquez-Brust, 2012). Measurements such as environmental regulations, legal compliance, non-discrimination practices, workforce diversity, management obligations, and legal standards are emphasised (Maignan & Ralston (2002), Kim et al., (2017) dan Hassan, Nareeman & Pauline (2017).

According to Carroll (1991), the ethical dimension refers to an activity or practise that is done or prohibited by members of society even if it is not enshrined in law that includes behaviour such as integrity, social justice, and moral rights (Azam, Akhtar, Ali, & Mohy-ud-din, 2019; Hassan et al., 2017; Kim, Milliman, & Lucas, 2020). The ethical dimension includes behaviours such as integrity, social justice, and moral rights. Even if such ideals could represent higher standards of performance than those defined by legislation, ethical responsibility can be understood as growing values and norms that society expects from organisations. This lends to the fact that ethical responsibility is viewed as an expectation of society.

The fourth; philanthropic dimension refers to the voluntary actions taken by an organisation as a reaction to society's expectations that an organisation should act as a responsible member of the business community. This activity demands the organisation to be actively involved in actions or programmes that improve the well-being of the community (Baumgartner, 2014; Esen, 2013; Hamid, Riaz, Muhammad, & Azeem 2020). This dimension is implemented by providing financial and human resources to improve the quality of life not only in the environment in which an organisation operates, but also the entire society in general (Carroll, 1991; Mahmood & Humphrey 2013). This may require actions such as investing in education, contributing to charity work, and preserving the environment (Carroll, 1991; Mahmood & Humphrey 2013).

How CSR support Organisational Sustainability

The emergence of stakeholder theory and the presence of social and environmental issues that influence decision-makers are among the reasons for the of an idea called Corporate Social Responsibility, or CSR . Stakeholder theory recognises the importance of considering the interests and expectations of various stakeholders in organisational decision-making processes. It emphasises that organisations should not solely focus on financial gains, but also take into account the broader social and environmental impacts of their actions. Stakeholder theory and the increasing awareness of social and environmental concerns have played a crucial role in the development of the CSR concept. Organisations are now expected to go beyond their financial objectives and legal obligations, and actively engage in activities that benefit society and the environment. By integrating CSR into their operations, organisations can demonstrate their commitment to social and environmental sustainability while addressing the expectations of various stakeholders. Referring to previous scholarly discussions, CSR is often discussed in conjunction with sustainability, which emphasises the integration of the interests of external and internal stakeholders, social interests, environmental concerns, and others in the operations of an organization" (Awan, Khattak, & Kraslawski, 2019; Kim, Song, Lee, & Lee, 2017; Yakovleva & Vazquez-Brust, 2012).

In recent years, numerous scholars have highlighted the interconnectedness between CSR and sustainability, emphasising the need for organisations to address the diverse interests and concerns of various stakeholders. Awan, Khattak, and Kraslawski (2019) emphasised that CSR should extend beyond mere compliance with regulations and legal obligations and instead aim to integrate social and environmental considerations into the core business operations. They argue that this integration is crucial for achieving sustainability and long-term success.

In the decision-making processes pertaining to social and environmental issues, active engagement of stakeholders in CSR initiatives is crucial. Organisations assert that they should proactively involve various stakeholders, such as employees, customers, suppliers, communities, and non- governmental organizations. By doing so, organisations can better comprehend and respond to the concerns and expectations of their stakeholders, leading to mutually beneficial outcomes.

Kim, Song, Lee, and Lee (2017) highlighted the role of CSR in addressing social issues and promoting social development. They expressed that organisations have a responsibility to contribute positively to society and should actively engage in activities that address social challenges such as poverty alleviation, education, healthcare, and community development. By integrating social considerations into their operations, such organisations can enhance their reputation, strengthen stakeholder relationships, and contribute to the overall well-being of society.

Prasad et.al, (2019) discussed the importance of *environmental sustainability* in CSR. They explained that organisations should adopt environmental friendly practices and take responsibility in minimising their negative impact on the environment. This includes reducing carbon emissions, conserving resources, promoting sustainable supply chains, and supporting initiatives for environmental conservation. By aligning CSR efforts with environmental sustainability, organisations can contribute to the preservation and protection of the natural environment for future generations.

Yakovleva and Vazquez-Brust (2012) emphasised the need for a comprehensive approach to CSR that integrates economic, social, and environmental dimensions. They argue that organizations should adopt a triple-bottom-line approach, considering not only financial performance but also social and environmental impacts. By embracing this holistic perspective, organizations can strive for sustainable development, balancing economic prosperity, social well-being, and environmental stewardship.

Activities related to the economy play an essential part in ensuring the continued existence of an organisation by contributing to its financial viability (Mongelli, et.al., (2019), long-term growth (Lv, et. Al., (2019)., and good influence on society (Abbas et al., 2019; Delgado-ceballos, 2014; Phillips, Thai, & Halim, 2019). Organisations that aim to be sustainable make a concerted effort to achieve economic viability by ensuring that their business activities result in profits and long-term financial stability. Organisations can reduce their operating expenses, enhance their financial performance, and assure their long-term economic sustainability if they apply sustainable business practises such as resource efficiency, waste reduction, and cost-effective energy solutions. These practises are examples of sustainable business practises. The awareness and adoption of resource efficiency (Glavic, 2021), waste reduction (Abbas et al., 2019; Lee, Kim, & Roh, 2019;; Phillips et al., 2019), and sustainable practises can result in cost savings for operational activities if CSR initiatives are undertaken. Organisations can minimise expenses associated with energy consumption, the procurement of raw materials, and the management of waste if they improve energy efficiency, cut waste production, and apply other environmentally friendly initiatives.

Dovis, A., & Kirpalani, R. (2021) Adhering to legal regulations is crucial for organisations to maintain their reputation and avoid legal sanctions. Kim et.al, (2017) contended that ethical behaviour is necessary for establishing trust and preserving long-term relationships with stakeholders, both of which contributes to the sustainability of an organisation.

Taking part in ethical activities which constitutes a component of CSR can assist organisations to reduce the dangers associated with acting unethically – which in turn will reduce the chance of legal and reputational risks, both can severely and negatively impact the sustainability of an organisation. This can be achieved through ethical behaviour by adhering to ethical norms, organisations develop a culture of openness, honesty, and accountability. This helps to minimise the possibility for ethical breaches, which might deter the organisation's attempts to be more sustainable.

CSR involvement in charitable contributions and community involvement, is another aspect linked to organisational sustainability. Engaging in philanthropic activities enhances an organisation's social capital, leading to improved relationships with the community and fostering a positive organisational image. These actions contribute to the sustainable development of both the organisation and the society it operates within.

In summary, the discussions by scholars highlight the close relationship between CSR and sustainability. Organisations are encouraged to integrate the interests of stakeholders, address social and environmental concerns, and adopt a comprehensive approach that encompasses economic, social, and environmental dimensions. By doing so, organisations can contribute towards a more sustainable future while reaping benefits such as improved reputation, stakeholder engagement, and long-term success.

What CSR Can Do for Organisations?

The formation of partnerships between organisations and communities has garnered attention in recent years regarding CSR (Singh, K., & Misra, M. (2022)). This highlights the growing recognition of the importance of collaboration and engagement between organisations with the wider society in CSR initiatives. Such collaborations enable organisations to address social and environmental challenges more effectively by leveraging the resources and expertise of multiple stakeholders.

Typically, CSR is an activity or programme that operates under the domain of corporate communications" (Pollach et al., 2014). This implies that CSR initiatives are often closely aligned with communications strategies and practices within organisations. Effective communications play a

crucial role in engaging stakeholders, disseminating CSR-related information, and fostering transparency and accountability in CSR efforts. Contemporary organisational management faces pressures to adopt a strategic approach to enhance financial returns, align stakeholder relationships, and improve corporate governance (Pollach et al., 2014). This reflects the increasing expectations placed on organisations to integrate CSR into their overall business strategies. It emphasises the need for organisations to consider the broader social and environmental implications of their operations, beyond solely focusing on financial performance.

In organisational management, corporate communications functions as a department responsible for communication and plays a crucial role in connecting with all stakeholders (Brennan & Merkl-davies, 2018). This highlights the significance of corporate communications in facilitating effective stakeholder engagement and relationship-building. Corporate communications professionals are tasked with conveying CSR messages and utilising effective communication channels to engage all relevant stakeholders in organisational decision-making processes.

One way to communicate with all stakeholders is through CSR (Ajayi, O. A., & Mmutle, T. (2021). This underlines the role of CSR as a means of communication and engagement with stakeholders. By implementing CSR initiatives, organisations can convey their commitment to social and environmental responsibility and foster meaningful dialogue with stakeholders.

In essence, organisations should focus on operational strategies to generate business profits (Lim & Greenwood, 2017). This implies that while organisations strive for profitability, they should also consider the broader societal and environmental impact of their operations. Adopting sustainable operational strategies can not only enhance financial performance but also contribute to long-term success by addressing social and environmental concerns.

However, recent developments in strategic thinking support the need to expand CSR activities into the wider society to further strengthen an organisation (Lim & Greenwood, 2017). This suggests that organisations should extend their CSR initiatives beyond internal operations and engage with the broader society. By addressing societal needs and collaborating with external stakeholders, organisations can enhance their reputation, build stronger relationships, and improve overall organisational resilience. In summary, the discussed studies highlight the importance of partnerships, effective communication, strategic integration, and extending CSR activities beyond organisational boundaries. These factors contribute to the overall effectiveness of CSR initiatives, enabling organisations to address social and environmental challenges, engage stakeholders, and achieve sustainable long-term success.

Conclusion

CSR is an important component of organisational sustainability. In recent times, the pursuit of profit has been accompanied by increased environmental degradation and social inequality. Incorporating CSR initiatives in business operations can help mitigate these impacts, ensuring sustainable growth to meet current and future needs. Organisations that prioritize CSR in their operations stand to gain several benefits, including enhanced brand image, increased customer loyalty, and cost savings resulting from waste reduction— among others. Furthermore, integrating CSR into an organisation's strategic objectives can lead to a more resilient and productive workforce, reduce employee turnover, and improve employee morale. The benefits of CSR extend beyond meeting societal expectations and acts to create long-term value in deriving a meaningful impact in the communities in which an organisation operates. In summary, the importance of CSR in organisational sustainability cannot be overlooked, as its integration is necessary to achieve longevity and success in modern business practices.

In future studies on CSR and organisational sustainability, there are several areas that researchers could explore to further deepen our understanding of this topic. This study proposes to do more research to investigate the long-term effects of CSR initiatives on organisational sustainability. This could involve longitudinal studies that track the progress and outcomes of CSR practices over an extended period. Understanding how CSR efforts evolve and their sustained impact on organisational sustainability will provide valuable insights for practitioners and policymakers. Another that, research can conduct cross-industry or cross-country comparisons to examine the variations in CSR practices and their influence on organisational sustainability. Comparing organisations from different sectors or regions can help identify best practices, highlight contextual factors, and uncover unique challenges faced by different industries or countries. Besides that, future research can focus to explore the perceptions and expectations of various stakeholders regarding CSR and its relationship to organisational sustainability. Understanding the perspectives of stakeholders such as employees, customers, investors, communities, and regulators can provide valuable insights into their motivations, priorities, and the effectiveness of CSR efforts.

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