Literature Review of Framework to Estimate the Success of Corporate Social Responsibility (CSR) Implementation

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Abstract. Corporate Social Responsibility (CSR) has received great attention from companies, academics, researchers, and policy makers over the past few years. Companies should maximize the implementation of CSR to create value for the company, society, government, and stakeholders. In its implementation, CSR does not only focus on community development and involvement, but also implementation that is aligned and relevant to company policies, so CSR measurement is important and measurable so that companies have guidelines in CSR program policies.

The idea of CSR is an important element for both companies and society, and the literature shows that the concept is gaining popularity. However, the current understanding is still limited to planning and evaluation for successful CSR implementation. This paper systematically reviews 268 articles published between 2017 and 2022 to bridge the existing knowledge in the field of CSR. This is achieved by mapping CSR implementation in companies. Finding that many studies are not aligned with companies' CSR objectives, this paper suggests the need for developmental research related to frameworks to analyze CSR implementation in general.

Keywords: Coorporate Social Responsibility, Social Return On Investment.

1. Introduction

The notion of corporate social responsibility has become increasingly popular and significant in recent years among researchers and business people. Today, the number of publications on CSR is still growing, but it is important to note that CSR should be considered by managers who want to develop their companies through sustainable growth. CSR is one of the most important aspects for companies, the concept of CSR is the proper placement of social and environmental activities into corporate strategy. Effective implementation and management of CSR strategies and incorporating them into the company can generate many benefits for the company itself. Sometimes CSR becomes a priority for some managers who realize the importance of this idea.

Today, the issue of building and incorporating CSR strategies into corporate strategy is becoming increasingly significant (Galbreath, 2009) as managers increasingly pay attention to the strategic role of CSR and its effect on the organization as a whole. Undoubtedly, the basic concept can already be considered as one of the most important aspects of performing business functions today, the idea of corporate CSR also attracts many researchers and academics who study this concept therefore, in the literature can be found many studies that address the topic of CSR but nevertheless still can be identified some gaps and areas that are not as thoroughly researched as others in the author's opinion, one of these gaps is the strategic approach to CSR.

One of the applications of a company's service strategy in order to run well the company must plan and evaluate CSR in order to run effectively, because currently CSR measurement methods are less developed and extensive than measurements for financial reporting in addition to the overall process of measuring or evaluating and reporting CSR is much more complex because there is social value creation, environmental value, and also financial value creation so that the evaluation of these three aspects needs to be combined.
Measuring the social and/or environmental impact of CSR programs is one of the key characteristics of implementing a CSR strategy. Measuring social and environmental impacts in relation to CSR programs is essential to understand how the funds spent contribute to social or environmental changes around the company and also have a positive impact on the company. There are many tools to measure and evaluate social impact, but a generalizable approach has yet to emerge. This becomes even more difficult when referring to areas of social investment or CSR activities where existing frameworks do not seem to fit the objectives, needs and practicalities of the stakeholders involved. Various underlying themes were explored at the organizational and institutional level with results presented at three broad, intermediate and specific organizational levels.

2. Research Methodology

To understand CSR and how CSR funding and CSR strategies are funded, a thorough literature review approach is required. A systematic literature review assesses data and results from other researchers with reference to specific research objectives (Pullin et al., 2016). A literature review is "a systematic, explicit, and reproducible design for identifying, evaluating, and interpreting existing documents of record" (Jeong et al., 2021). A literature review helps in finding research gaps (Hair & Brunsveld, 2019), bringing together scattered pieces of literature and refining the research to an understandable level. The purpose of a literature review is to provide an in-depth explanation of the research conducted in a particular field, which is the first step in the theory development process, a literature review of published papers is conducted by applying content analysis, a method that can result in a rigorous literature review and a good literature review can be generated (Jeong et al, 2021; Mayring & Fenzlé, 2021; Mayring & Fenzl, 2019; Seuring & Gold, 2012). Berelson (1952, p. 489) defines content analysis as “a research technique for the objective, systematic, and quantitative description of the apparent content of communication”. Applying content analysis should minimize research bias and increase the reliability and replicability of the construct in question.

In this study, the search for appropriate literature, methods and theories in this study using Systematic Literature Review (SLR). This method is a literature review method that identifies assesses and activates all findings on a research topic to answer previously established research questions. The SLR method is carried out systematically by following stages and protocols that allow the literature sales process to avoid bias and subjective understanding of researchers. In general, the stages of SLR implementation consist of three major stages, namely planning, implementation, and reporting, while the details of each stage are as follows.

![Figure 1. Stage Systematic Literature Review (SLR)](image)

Some of the methods used for Systematic Literature Review (SLR) are using Area Gap Topic (AGT) search and String Collection Data. The String Theory process is used by researchers to find keywords in the process of searching and collecting journals so that they can be used in the next process, namely the focus of material deepening, classification, and formulation so that the theoretical basis and research stages that are in accordance with this research can be known.

3. Scope of study

Web of science and Scopus databases were used to conduct an advanced search of a sample of 268 publications under the category "Corporate Social Responsibility" with the keywords used to search were "Social impact assessment" or "Social performance assessment" or "Social return assessment" or "Impact investing assessment".
The search was narrowed to avoid showing book review results. The topic search option was used to search journal abstract titles and author keywords, making it easier to find more relevant information on CSR evaluation. To obtain information related to the topic in this paper, the research sampling process was identified in five steps:

1. Searching for journals within the scope of web of science and scopus using the category "Corporate Social Responsibility" with the keywords used to search are "Social impact assessment" or "Social performance assessment" or "Social return assessment" or "Impact investing assessment", in the search for articles found 101 results from web of science and 167 from scopus.

2. The two journals were then combined in one spreadsheet, resulting in a total of 268 journals

3. From the the two journals combined, journal similarity checking was carried out, so that publications that had the same citation were deleted and 58 titles were deleted, a total of 210 articles.

4. Re-checking topics relevant to the research through abstracts, keywords and journal content.

5. Finalizing the number of journals considered for this study.

The following table 1 Steps for searching journals related to CSR implementation.

<p>| Search and selection of journals from Web of Science and Scopus databases, December 9, 2012 |</p>
<table>
<thead>
<tr>
<th>Web of Science Database</th>
<th>Scopus Database</th>
<th>Description</th>
</tr>
</thead>
</table>
| Searching for journals using journal categories and keywords | 101 | Corporate Social Responsibility category with keywords used to search are "Social impact assessment" or "Social performance assessment" or "Social return assessment" or "Impact investing assessment" and "Model".
| Adding journals from both databases | 268 journals | 101 from Web of Science and 167 from Scopus database, were added into one spreadsheet.
| Removing similar journals from the list is | 212 journals | 58 duplicate journals were removed. |
| Checking the Title, Abstract, and Keywords | 152 journals | Checking the Title, Abstract and Keywords of 152 journals for social impact measurement and CSR, 95 journals did not meet the criteria as topics in this study.
| Finalizing the number of journals considered for this study | 57 journals | Finally, the researcher got 57 journals considered for this study. |

The first sample of 57 articles was extracted from web of science and scopus searches based on a systematic review protocol. Initially, 268 articles were extracted and screened for duplication and 58 articles were excluded at this stage. A title and abstract review was conducted according to the study inclusion criteria set out above and a total of 95 articles were excluded. Full journal reading of the remaining 152 articles was conducted at a later stage and another 54 articles were excluded based on the exclusion criteria. The 54 articles were assessed based on the coded themes where articles containing at least three of the themes were reviewed. The final 57 articles were selected for synthesis and the results are reported based on these articles. Codes were assigned to each paper based on the following criteria: Journal year geographical emphasis network theory used methodology used
contribution and implications. Papers were reduced to 27 after reading the full papers as 24 papers were excluded based on exclusion criteria that included unrelated themes, lack of clarity of findings, and unclear methodology. In auditing and collecting journal data related to measuring CSR implementation, the researcher conducted a clustering of all existing journals to obtain trends, clustering, and potential novelty in journal scope and research direction.

Data collection is done with the publish of perish program to obtain the breadth of journal collection used is Scopus, Science Direct, and web of science with the title word Corporate Social Responsibility and keywords measurement, approach and journal model. Furthermore, researchers conducted clustering of all existing journals using the VOS Viewer application program to see the coverage of all existing journals, the running results obtained information that journals related to product applications in park facilities are still very lacking, thus it can be seen that the potential for novelty in this field is still quite large but has a large contribution that is in accordance with this research. So next the researcher will look at the theory that is in accordance with the scope of the measurement area of Corporate Social Responsibility (CSR) activities.

4. Literature Review

All articles were read, reviewed, and categorized according to predetermined criteria. Journal subject area research style research method terms and applied theory were used to describe and primarily infer between topics. The codes indicate the type of journal topic category from the research location and the theory or model used in the research. The second set of categories was derived inductively after reading the articles to uncover themes in the main rebuttals and theoretical integration of expressions that form the basis of concept construction questions and research steps. Through exclusion and refinement, the voluminous literature was reduced to 5 main themes and various supporting subthemes related to the research objectives through cluster analysis and further coded abstraction. The articles were categorized into various groups to explore the research phenomenon from multiple perspectives. Thereafter, emphasis was given to the empirical research as it had themes and results that were most closely related to the thematic analysis. This means that the iterative process underlying this method involves various processes of critiquing the data to confirm the research patterns as well as questioning and refining the review categories.
5. Findings

From the 57 selected articles, the results were synthesized and reported based on the articles, where in measuring CSR, 19 articles used Financial Measurement with the following methods:

- 5 journals used Cost-Benefit Analysis (CBA)
- 12 journals using Social Return on Investment (SROI)
- 2 journals used the Capital Asset Pricing Model (CAPM).

Furthermore, 38 CSR articles used non-financial measurement methods with the following details:

- 24 journals used the GRI index
- 2 journals using multiple criteria decision making (MCDM)
- 5 journals using balanced scorecard
- 3 journals using CSR Index (CSRI)
- 1 journal using GIIRS
- 3 journals using SLA.

6. The influence of the company's CSR strategy on the success of CSR implementation

In this paper, the author identifies 3 aspects: driver, purpose, nature of business. Based on the nature and purpose, different types of CSR can be distinguished. Lantos (2001) mentions three different types of CSR (referring to the nature and purpose):

A. Ethical CSR: This CSR is often morally required and goes beyond meeting government regulations. The aim is to avoid social harm even if the company does not benefit from this.

B. Altruistic CSR: This CSR goes beyond the scope of the company's activities, creating benefits for the company's stakeholders, but not necessarily for the company (the benefits are uncertain and may not even be relevant) (Lantos, 2001).

C. Strategic CSR: It is the fulfillment of the company's social obligations to obtain mutually beneficial results where the company and at least one of the stakeholder groups benefit from this activity. An example of a strategic CSS activity could be a situation where the company connects public interests.

The relationship between business and society is so relevant for the functioning of the economy that the inclusion of CSS in corporate strategy is crucial and integrated in the business and society environment. However, service can be an integral element of a company's business strategy and differentiation, which should be taken into account when defining a company's strategy as a strategic CSR investment. Strategic CSR is a type of CSR that in the literature can be found various definitions of this term Baron (2001) was the first researcher to introduce the idea of strategic CSS he stated that it is related to market strategies to obtain higher profits, the researcher defined strategic service as a profit maximization strategy motivated by self-interest and not by the conception of corporate social responsibility (Goods, 2001, p. 9) The same thing is also stated by Perrini et al (2007) that the company's approach to CSR strategy differs between large companies, small companies, and medium-sized companies. Furthermore, Siegel and Vitaliano (2007) identified the affirmation of service activities in the firm's business-level differentiation strategy as a key assumption of the CSR perspective theory. Taking into account all existing dimensions and approaches, the following definition has been selected as a reference for further research: Strategic service is the fulfillment of a company's social obligations to achieve a mutually beneficial effect in which the company or at least one group of stakeholders benefits from this activity. In addition, a very important task for aligning CSFs with corporate strategy is the recognition that strategic issues (Galbreath, 2009).

Strategic services should go beyond good corporate responsibility and reducing adverse value chain impacts, but should also be able to capitalize on a small number of initiatives that have large and distinct social and business
benefits. Strategic CSR involves both inside-out and outside-in dimensions working together. This is where the opportunity to create shared value truly lies. A successful CSR strategic messem allows companies to consider legitimate stakeholder claims, focus and expand work in areas where competitive advantage can be created, while establishing appropriate resource allocation to meet social needs. A secondary benefit of a successful CSR strategy is that it encourages companies to look for ways in which social actions also generate profits (ustadz & allen, 2007, p. 595).

7. Measuring CSR success

There are many different CSR impact measurement frameworks in the field of impact investing (Loveridge, 2016; Maas and Liket, 2011; Ormiston, 2019). According to the fund database developed by the Global Impact Investing Network (GIIN)29, there are over a hundred different frameworks. Foundation Center Tools and Resources for Assessing Social Impact. The most common and accepted frameworks for measuring impact do not seem to follow a pattern. On the one hand, Basic Resource Efficiency (BER) analysis, best alternative charitable option (BACO), cost-benefit analysis (CBA), cost-effectiveness analysis (CEA), economic rate of return (ERR), social accounting and audit (SAA), and social return on investment (SROI) seem to be mentioned more frequently in the literature (Brest et al., 2009; O’Flynn and Barnett, 2017; Ormiston, 2019; IFC, 2019; Jackson, 2013; Tuan, 2008). On the other hand, impact investing stakeholders such as GIIN (2020) refer to the Sustainable Development Goals (SDGs), Impact Investing and Reporting Standards (IRIS), and Impact Management Projects (IMPs) as the top three frameworks used by impact investors. According to the Annual Impact Investor Survey (GIIN, 2020a), around 73% of impact investors use SDGs for at least one purpose32, followed by IRIS with 46% and IMPS with 32%. These frameworks are also widely referenced in the literature (Jackson, 2013; Kroeger and Weber, 2016; Resiman and Olazabal, 2016; Schramade, 2017; van Raak and Raaphorst, 2020). Besides IRIS, CBA and SROI, other measurement frameworks used by Canadian impact investors are Environmental, Social and Governance (ESG) screens, the Global Impact Investment Rating System (GIIRS) and the Sustainable Livelihoods Approach (SLA) (Best and Harji, 2013). Theories of change, case studies, self-developed methodologies, KPIs and more were also responses provided by impact investors in both studies.

These IFC core dimensions have great similarities with the impact measurement guidelines developed by the Social Impact Investment Taskforce (2014) Working Group. They propose seven guidelines and four phases (Exhibit 3) to further enhance the measurement and investment process. GIIN24 and EVPA25 also support these guidelines.

Table 2. Phases and guidelines for impact measurement

<table>
<thead>
<tr>
<th>Phase</th>
<th>Guideline</th>
<th>Brief description</th>
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<tbody>
<tr>
<td>Plan</td>
<td>Set goals</td>
<td>Articulate the desired impact of the investments</td>
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<tr>
<td>Develop</td>
<td>framework &amp; select metrics</td>
<td>Determine metrics to be used for assessing the performance of the investments</td>
</tr>
<tr>
<td>Do</td>
<td>Collect &amp; store data</td>
<td>Capture and store data in a timely and organized fashion</td>
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<td></td>
<td>Validate data</td>
<td>Validate data to ensure sufficient quality</td>
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<tr>
<td>Assess</td>
<td>Analyze data</td>
<td>Distil insights from the data collected</td>
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</table>
### Table 3. CSR measurement method

<table>
<thead>
<tr>
<th>No</th>
<th>Framework</th>
<th>Comparability</th>
<th>Accountability</th>
<th>Completeness</th>
<th>Simplicity</th>
<th>Optimum Impact</th>
<th>Risk</th>
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<td>14</td>
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<td>Comparability Method</td>
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<td>18</td>
<td>Verma &amp; Mahal</td>
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Some authors also refer to mission alignment methods (e.g., scorecards) and experimental and quasi-experimental methods (e.g., randomized control trials) (Ebrahim and Rangan, 2014; OFlynn and Barnett, 2017; So and Staskevicius, 2015), although these methods are more widely used in evaluation practice in the social sector (Resiman and Olazabal, 2016) and academia (Rathunde et al., 2020). Therefore, these frameworks were not included in the scope of this study.

### 8. Challenges to CSR success

Intense competition from corporate businesses limits the ability of companies to provide CSR where companies are more concerned with generating enough revenue to sustain their goals. Large corporations utilize the large amount of free-flowing capital derived from corporate profits to invest in research and development. Very few companies consider CSR programs in their strategic plans, which can adversely affect the relationship between the company and the community surrounding the company.

In addition, if CSR activities do not have an appropriate strategy, it can lead to the failure of CSR programs that have an impact on the company’s image and even have no relevance to the market, therefore the development of
an effective CSR strategy that can provide benefits to the company is needed in order to provide benefits for both the company and stakeholders. The author adds that this limits the development of effective underlying strategies that strengthen the company's position, thus limiting the impact of commercial enterprises on company performance. Managers' skills are critical in driving effective strategic planning control and financial planning, just as they are critical in acquiring CSR activity programs and utilizing CSR financing funds. This phenomenon indicates that the high failure rate of CSR programs is due to management's inability to process or plan CSR programs.

9. Research gaps in CSR success

The importance of the concept of CSR is still growing, driven by many factors such as social expectations, more benefits for companies from these activities. Some companies do it voluntarily, some companies only fulfill government regulatory obligations, some companies use CSR programs to gain profits or increase company revenue. Studies on how to fund CSR activities are still in their infancy and are not yet connected. The understanding of the planning and evaluation process in order to fund CSR is still not comprehensive. By combining academic materials from various literatures at different levels of study, the literature review describing the state of research on funding CSR programs found that the available research is unbalanced and full of inconsistent conclusions or contradictions with the models and theories examined by different literatures.

As mentioned in the previous section, the demand for impact measurement is increasing. However, it still faces many challenges. One of the main challenges faced in impact measurement is the absence of a common language, with clear definitions and concepts that enable the adoption of innovative measurement practices (Reisman and Olazabal, 2016). Organizations seem to use different words and terms to describe the same concept, for example, using concepts such as contribution, attribution, and proportionality as if they have the same meaning (Tuan, 2008). This also happens because organizations do not use the right concepts to describe and implement their measurement practices, for example, using the words “results” and “impact” when they really refer to “outputs” (Tuan, 2008).

Collecting and analyzing impact data can also be very costly, not only in terms of money but also time. Most impact investors have limited resources and they have to choose between allocating money, time, or staff to impact measurement or actually contributing to the growth of the invested companies (Best and Harji, 2013). This means that the choice and implementation of an impact measurement framework should consider both benefits and costs (Tuan, 2008). The framework should also consider the information requested by investee companies to reduce their administrative burden (O'Flynn and Barnett, 2017).

The use of reliable and replicable indicators and studies can help not only reduce the time and cost required, but also legitimize the results (Agrawal and Hockerts, 2019). Moving towards a more integrated impact measurement and evaluation model that includes strengths from both the business and social sectors can increase synergies and ultimately reduce costs. Currently, these two sectors act almost independently, considering their own needs, wasting knowledge and spreading expertise. As the development and social sectors have been conducting impact evaluations for a long time, impact evaluation is becoming a more mature field, with larger numbers and more experienced approaches and tools (Choda and Teladia, 2018). Reisman and Olazabal (2016) describe this as an opportunity for these sectors to work together, reflecting different incentives, contexts and decisions.

10. Conclusion

Important scientific findings highlighted and many important armaments identified, the issue of planning, funding, and evaluating CSR programs is still inconsistent or contradictory due to various models and theories studied by different queens, this is because the measurement of social or environmental impacts has different concepts and objectives so it requires a common framework in order to help companies to save and evaluate CSR programs. In addition, in the preparation of CSR programs, not many companies have integrated CSR programs into the company's strategic plan. Therefore, to create benefits for the company, managers need to rethink their CSR activities and plan them in an appropriate way. The relationship between business and society is highly relevant
for the functioning of the economy as a whole and thus the basic concept can be at the core of processes that benefit the economy.

In developing a CSR strategy, a comprehensive calculation and evaluation is needed so that the implementation of CSR can run effectively, efficiently and successfully provide benefits to the company and its stakeholders. There are currently two methods of measuring CSR, namely financial and non-financial methods, where both methods have their own advantages and disadvantages, so in the future it is hoped that future researchers can contribute to CSR measurement to make it more general and can provide a comprehensive picture of CSR implementation.

This study recognizes that several factors may limit the scope of the findings as there is no way to ascertain whether the literature selection is complete despite a thorough literature search process. Finally, the issue of validity of quantitative qualitative pathology, although there is confidence that how the articles were analyzed and categorized methodologically, therefore it is expected that other authors consider interpretation decisions more carefully.

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