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Corporate Social Responsibility as a Panacea for Sustainable Business growth: A literature Review

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Abstract

There is no organization that can exist in Isolation, the success, growth and sustainability of a business is impossible without interacting with its environment. Corporate social responsibility (CSR) has become an increasingly vital aspect of doing business in the 21st century and the satisfaction of stakeholders is germane to the success of any business. Business activities especially that of large companies and multinational companies have affected normal daily activities in some environments that host them. There is the need for these corporate entities to have concern for human rights, social justice, and economic interests of societies by trying to empower the society in general through accountability and transparency of organizational operations. This study through review of extant literatures sort to establish how corporate social responsibility can drive sustainable business growth.
Exploratory resign design was adopted for the study, as several extant literatures related to corporate social responsibility and sustainable business growth were reviewed.
Findings revealed that CSR is seen as a key factor in attaining economic goals and wealth generation. CSR has four dimensions: economic dimension, legal dimension, ethical dimension, philanthropic dimension, internal CSR has a non-significant impact on the firm's future value, when measured by Tobin's q and CSR can play a role in promoting firm performance indirectly through enhancing customer satisfaction, reputation and competitive advantage.
The study concluded that CSR activities adopted by any company must aim at achieving a particular solution to problem in the host environment. Even though some literature stated that cost of engaging in CSR activities might increase cost there by causing a reduction in the short term profitability level of the company, however, there is a bigger picture of the strategic sustainability of corporate entities.

Keywords: Business Growth, Corporate Social Responsibility, Firm Performance, Sustainability,

1.0 Introduction

The goal of every organization is to achieve profitability. However, there is no organization that can exit in isolation without interacting with its environment. Business organizations operate in different environments this environment can either be friendly or hostile. (Ajibade, 2020). Businesses thrive and succeed better in a friendly environment. O'Dwyer (2003) is of the opinion that businesses should endeavor to give back to society a considerable percentage of what has been received from society. Corporate social responsibility (CSR) has become an increasingly vital aspect of doing business in the 21st century for most multinational corporations (MNCs) and other large corporate entities. (Lewis, 2016) Yin and Jamali (2016) stated that one of the various forces reshaping the global competitive landscape is the growing attention to corporate social responsibility (CSR) and this has become a popular trend in the corporate world. Although many corporate organizations have come to accept the idea of corporate social responsibility (CSR), however, the idea of CSR itself remains vague (Chapple & Moon, 2007).

According to Adedipe and Babalola (2014) corporate social responsibility (CSR) involves a continuous commitment by businesses to conduct themselves ethically and contribute to economic development while enhancing the standard of living of the workforce as well as the local community and society at large. In the developed nations it is much obtainable for hospitality firms have launched CSR programs to satisfy the different categories of stakeholder through the use of recycled materials, the improvement of employees working conditions, and the provision of charitable contributions for community development (Nan & Heo, 2007). The satisfaction of stakeholders is germane to the success of any business. (Fonseca, Ramos, Rosa, Braga & Sampaio, 2016). A firm's strategies and influence on financial performance are affected by various stakeholders (e.g., employees, owners, suppliers, consumers, communities). Understanding and meeting the needs of these stakeholders is of primary importance for a business to succeed (Freeman, 1984).

Cladwell (1998) noted that sustainability has to do with preserving a status quo or a state of condition. By implication, business Sustainable growth is persevering the growth of a business. Fonseca, Ramos, Rosa, Braga and Sampaio (2016) noted that, both sustainable development and social responsibility aim for the simultaneous search of economic profitable development with social progress and equity and respect for natural environment, generating value for shareholders, customers, workers, partners and society in general. However, while sustainable development is a concept at global and intergovernmental level, social responsibility is at organisational level and frames its contributions for sustainability. Stanfast and Carter (2020) noted that organizations are obliged to be socially responsible to the society in which they operate. That is since they have taken from the society then there is a need to give back to the society. McCombs School of Business (2020) noted that Sustainability refers to the ability of an entity business or not to maintain various systems and processes - be it environmental, social, and economical. Although sustainability has its root in natural resource economics however, it has overtime gained wider recognition in terms of sustainable development and social equality

According to Adedipe and Babalola (2014), business environment is dynamic. It is constantly changing and creating not only uncertainties, risk, and threats but also opportunities for growth and expansion. No organization can exist without a society. It follows therefore that there must exist a symbiotic and/or mutually beneficial relationship between companies and the society at large (Stanfast & Carter 2020). The growing activities of industrial and commercial organizations in Nigeria have brought with them many side effects. Some of these consequences are positive while some are negative. (Adedipe & Babalola 2014). Organizations through their activities should show concern for human rights and social justice (Stanfast & Carter 2020).

Social responsibility is considered as a key success factor for business. Transforming thus into a central component in the strategies assumed by the organizations; in its constant search for sustainable development. (Acuña-Moraga, Severino-González & Cires-Gómez 2019). According to Yoon and Chung (2018) there have been several arguments that stakeholders set norms and evaluate corporate behavior. Hence, corporate executives and managers must address the demands and expectations of the various stakeholder groups because this might influence the value of the firm thereby ensuring her growth and sustainability (Clarkson, 1995; Donaldson & Preston, 1995; Wood & Jones, 1995). Ana(2019) noted that the ethics of responsibility is not only about the respect for actually existing human beings, but also a link between responsibility and sustainability in the sense that responsibility implies the duty to guarantee that humans will continue to exist. The principle of responsibility is an absolute, categorical principle for individuals to ensure the earth's sustainability.

1.1 Statement of Problem

Over the years, the reasons for corporate social responsibility (CSR) has been heightened especially in shareholder-oriented ownership dominant countries (Christensen, 2013). The African region is plagued with some inherent social problems such as good governance, unstable democracy, inconsistent government policies, poverty, poor infrastructures, drug abuse, insecurity and crimes, inadequate electricity generations, motivated workforce, faulty production output, uncontrolled environmental damages or environmental pollutions most especially by multinational corporations and most important unethical business practices by business managers (Akindoyin & Marscap, 2015). Business activities especially that of large companies and multinational companies have affected normal daily activities in some environments that host them. Ordinarily, due to the social problems highlighted by Akindoyin and Marscap (2015), some business mangers might exploit these lacuna to carry out unethical business practices. There is the need for these corporate entities to have concern for human rights, social justice, and economic interests of societies by trying to empower the society in general through accountability and transparency of organizational operations. (O'Dwyer, 2003) therefore, corporations seeking to operate in a particular environment must be ready to drive their strategies in overcoming and providing solutions to some of the underlining issues in that environment because society today are more concerned with what the firms do, how it carryout its operations and the effect of its decisions on their environment. (Akindoyin & Marscap, 2015).

This study through review of extant literatures seek to established how corporate social responsibility can drive sustainable business growth.

2.0 Literature Review

2.1 Concept of Corporate Social Responsibility

In recent times, a trending concept in the management literature is Corporate Social Responsibility (CSR). Munro (2020) asserted that CSR goes beyond corporate philanthropy CSR is a set of firm's initiatives that entail activities required by laws or regulations and activities that benefit society and go beyond the self-interested profit motive of the firm (Brown & Dacin, 1997) Which involves giving of cash, cheque or gift as a form of CSR; CSR involves legal, ethical, environmental and social components. CSR involves various stakeholder-related activities such as employee relations, diversity management, corporate governance, environmental protection, community development, consumer relations (Wood & Jones, 1995). Matten and Moon (2008) noted that how CSR is been perceived might vary in several countries this however depends on how CSR is viewed in a particular social, political, financial and institutional system. Furthermore, the opinion and practice of CSR may also depend on an Organization's culture and institutional settings or procedure.

Literature has it that there is no unified definition of CSR. However, according to Gossling and Vocht (2007), all various definitions of CSR agreed, companies must meet the expectations of host communities when considering their environmental management strategies. A popular Definition by Carroll (1979) stated that "CSR is the social responsibility of a firm which encompasses the legal, ethical, and discretionary expectations that society has of organization at a given point in time". According to Yin and Jamali (2016), the term "corporate" linked with "social responsibility" suggests an additional important obligation expected of bigger corporations in a social domain. Prahalad and Hammond (2002), noted that it is expected that big companies should solve big problems. By this statement, big companies are charged with accountability and responsibility for future world economies through investment in the poorest countries. Carroll and Brown (2018) opined that the concept of CSR can be to the foundations of capitalism and the birth and rise of the corporate form of business organization. This history is traceable to the late 1800s which is characterized by the turbulent rise of the corporation. A new era of organizations government relationship emerged in the twentieth century (Carroll, Lipartito, Post, Werhane, & Goodpaster, 2012).

The historical account of CSR given by Munor (2020) reveled that CSR can be traced far back to the classical geek era in the fourth century through fifth century. Business is seen as that time to be of social service to the community. Businesses are expected to be honest and follow and fulfill the moral and legal obligations as monitored and controlled by the Catholic Church. In another argument by Carroll and Brown (2018) CSR came of age in the post-World War II period. At this period, corporate legitimacy was affirmed and a revolution of rising expectations came to bear on businesses. The idea of businesses assuming responsibilities beyond that owed to their shareholders took off in the 1960s. According to Akindoyin and Marscap (2015) regardless of the business sector, Corporate Social Responsibility is said to mean: A combination of policies and exercises that are associated to relationship with key stakeholders, values, compliance with legal requirements, and respect for people, communities and the environment; the engagement of corporations‟ to bring about sustainable development. Similarly, McCombs School of Business (2020) stated that corporate social responsibility refers to a company's commitment to practice environmental and social sustainability and to be good stewards of the environment and the social landscapes in which they operate.

Jonas (1979) defined the concept of responsibility He argues that technological and scientific developments have led to a much greater responsibility for humanity than was the case earlier. This is because technological and scientific civilization has so much power to destroy the earth. Lee, Singal, and Kang (2013) is of the opinion that CSR measure can divided into Operation and non-operation divided the CSR measure into operation and non- operation related practices. According Verdyen, Put and Van Buggenhout (2004) a firm's social initiatives can be distinguished in terms of internal CSR which covers internal stakeholders and External CSR which covers external stakeholders. Lantos (2001) is of the opinion that CSR can be classified into three dimensions. These are ethical, altruistic, and strategic CSR. It was further explained that the ethical dimension of CSR is aimed at reducing the negative impact of organizations' activities on society, altruistic dimension of CSR involves organizations carrying out social actions for the wellbeing of society without benefitting from such actions, and strategic CSR focuses on policies and activities carried out when management intends to also benefit from their action.

2.2 CSR and Stakeholder's Theory

The stakeholder theory is a theory of organizational management that deals with morals and values in running an organization (lin, 2018). Ian Mitroff noted originally in his work "Stakeholders of the Organizational Mind, published in 1983 in San Francisco. R. E. Freeman had an article on Stakeholder theory in the California Management Review in late 1983, but makes no reference to Mitroff's work, attributing the development of the concept to internal discussion in the Stanford Research Institute. He followed this article with a book "Strategic Management: A Stakeholder's Approach". This book classifies the group which are stakeholders of an organization and goes further to describe and recommend methods which management can employ to address the interests of those groups. Summarily, it tries to address the principle of whom or what really matters. Several academic write up on stakeholder theory generally recognize Freeman as the "father of stakeholder theory. His work is widely cited as the bedrock of stakeholder theory.

According to Elijido-Ten, Kloot, and Clarkson (2010), the basic proposition of the stakeholder's theory is that the firm's success depends majorly on the ability of a firm to successfully manage of all the relationships that a firm has with its stakeholders. Chandler and Werther, (2014) noted that CSR in its broadest sense can be defined as "a view of the corporation and its role in society that assumes a responsibility among firms to pursue goals in addition to profit maximization and a responsibility among a firm's stakeholders to hold the firm accountable for its actions" () According to Adedoyin and Marsap (2015) Stakeholders' theory tries to describe how the activities of each of different stakeholders affect the sustainability of the business entities and how these companies should act in order to satisfy its stakeholders without jeopardizing the economic objective of the firm. Tensie and Carly (2016) stated that the failure of companies to create a good relationship with theor stakeholders can lead to increased conflict and reduction in stakeholders' support. This can negatively affect a company's operation and at the long run reduce firm performance and sustainability. It is very important for business managers in this global age to strategically balance organization decisions and CSR decisions in a manner that its takes care of all the stakeholders, without affecting the economic objective of the organization and at the same time portray them as being a good corporate citizenship responsible. (Adedoyin & Marsap, 2015).

Jensen (2001) argued that the maximization of long-term market value cannot be achieved if the company ignores the stakeholder's needs. He further clarified that enlightened value maximization utilizes much of the structure of stakeholder theory but accepts maximization of the long-run value of the firm as the criterion for making the requisite tradeoffs among its stakeholders and specifies long-term value maximization seeking as the firm's objectives. Stakeholder theory in essence suggests that every organization strives to create value for its entire stakeholders as a reason for its existence. Hence, failure to accomplish their responsibility can cause failure in the value creation process of the organization. Therefore, corporate industries conduct its business activities with the aim of becoming sustainable for the benefit of all stakeholders. (Kwarbai, 2019)

2.3 CSR and Legitimacy Theory

Legitimacy theory states that organizations aim to ensure the legitimacy of their operations by operating within the bounds and norms of specific societies (Deegan & Unerman, 2011). Some literature have highlighted the strategic role that CSR can play, and the signaling effects of CSR activities, in helping MNE subsidiaries obtain legitimacy and overcome the liability of foreignness in foreign host countries.

Yin and Jamali (2016) in their study found that in the aspect of CSR, multinational companies are beginning to realize the importance of adopting a contextualized value creation approach that identifies the mutual connection between business operations and social issues and that what it needed to succeed in contemporary environment is an engaged form of CSR rooted in the real-life situations of local environment.

Ogiri, Samy and Bampton (2012), Firms involve in corporate social responsibility and environmental disclosure as a means of improving their corporate image. An engaged form of CSR requires the need for CSR activities to be carefully crafted and synchronized to the particular issues environment, such as the institutional void challenge and the global-local legitimacy gap, since there may be opportunities to use multiple influence strategies within a particular issues environment and to develop more informed and realistic approaches to the challenges to maintain the balance of shareholder and stakeholder value creation across geographic contexts (Yin & Jamali, 2016).

Legitimacy is earned by an organization when her environmental performance meets with the stakeholders' expectations, in addition to those of managers, investors and community members (Alrazi & Villiers, 2010). Ogiri, Samy and Bampton (2012) noted that in before now, many CSR researchers has depended on stakeholder theory as the foundation for explaining corporate social responsibility and environmental disclosure. However, new proof from extant literatures revealed that an emerging theory with increasing popularity and acceptability among researchers is the legitimacy theory which is used in describing the motivations behind corporate social responsibility and environmental disclosures. O'Donovan (2002) argues that the legitimacy theory stems from the idea that for corporations to keep operating successfully, it must operate within the bounds and norms of what society recognizes as socially responsible behavior. Retaining organisational legitimacy means that a firm is conducting its activities in a proper and appropriate manner that is congruent with the standards expected by stakeholders, including the public, in its operating environment. (Ogiri, Samy & Bampton 2012)

Omran and Ramdhony (2015) is of the opinion that legitimacy theory advocates CSR disclosures are part of a process of legitimation, while stakeholder theory offers an explanation of CSR accountability to stakeholders. Also, legitimacy theory seems to be more suitable for organizations working in developed countries, on the other hand, stakeholder theory appears to be most suitable for organizations working in developing countries; where a corporation can manage its stakeholders and the pressure to comply with existing legislation is less as compared to the developed countries. Deegan (2014) is of the opinion that there are no objective measurements by which we can understand the extent of changes in the legitimacy status. Additionally, he mentioned that, there is a lack of research in understanding the specific types of sustainability disclosures that truly increase the legitimacy of an organization.

Signaling Theory and CSR

Signaling theory was propounded by Spence (1973). Signaling theory is based on the assumption that information is not equally available to all parties at the same time, and that information asymmetry is the rule. Signaling theory states that corporate financial decisions are signals sent by the company's managers to Investors in order to shake up these asymmetries. These signals are the cornerstone of financial communications policy. Jones and .& Murrell (2001)in their work Signaling positive corporate social performance: An event study of family-friendly firms stated that a central assumption behind signaling theory is that the entity that does not have certain information at its disposal is usually willing to pay a(n) (in)tangible premium to the entity that reveals its attributes through signals. signaling theory essentially formulates propositions about strategies for (in) action in the context of costs and benefits under different levels of opacity or transparency, on the side of both the signaler and the signal receiver. In a different argument, Karasek and Bryant (2012) in their study Signaling theory: Past present and future noted some weaknesses in the theory to include the lack of some information on how perceived alternative signals and hiring expectancies might be signaled during the recruiting process, and the lack of a multi-dimensional scale needed to be able to measure many signals at a given time. A large missing link observed would be the financial backing of what a signal costs. Relating signaling theory to CSR Moratis (2018) stated sustainability standards from a firm's view can be a means of demonstrating that they engage in corporate social responsibility (CSR) in a credible way. To capitalise on their CSR activities, firms need to ensure their stakeholders are able to recognise and assess their CSR quality. However, because the relative observability of CSR is low and since CSR is a contested concept, information asymmetries in firm–stakeholder relationships arise., Omaran (2015) opined that Signaling theory will suit a situation where firms are competing for resources. A firm willing to demarcate from other firms will engage in more CSR practices. It is also important that the signal reaches the target audience by reporting on CSR. Su, Peng, Tan and Cheung (2014) argued that the signals sent by firms in the emerging and developing economies to stakeholders through adoption of CSR practices can determine the sustainability of the firm's growth. Firms that adopt CSR practices positively signal investors that their firms have superior capabilities for filling institutional voids. Adopting CSR standards and using these as signalling devices is a strategy for firms to reduce these information asymmetries, by revealing their true CSR quality. (Moratis, 2018).

The relevance of signaling theory to CSR is of high importance if compared to the weaknesses of the theory. The practice of CSR by a company send signal to stakeholders, a positive response from the stakeholders can result in high value creation to the firms. And also the availability of quality information to the stakeholders tends to signal better performance

Discussion

3.0 CSR and Sustainability Reporting

Christensen, Hail, and Leuz, (2019), stated that sustainability and corporate social responsibility (CSR) have become important to many corporations and the majority of large firms today voluntarily provide reports on their CSR initiatives, risks, and activities. However, because there are no commonly agreed upon (or mandatory) CSR reporting standards there is substantial heterogeneity in CSR disclosures. This heterogeneity makes it difficult for the various stakeholders to use and compare CSR information and may prevent firms from reaping the full benefits of their CSR activities. Deloitte (2015) related sustainability and CSR by describing sustainability is responsibility for the impact an organization exercises on its surroundings, in business, environmental and social terms. Conscious management of the impact translates into lower costs, improved external relations and better managed risks. Growing complexity of stakeholders and environment, sharp competition, growing demand for corporate transparency and social responsibility have steadily become the new corporate challenges of the 21st century which have resulted to firms increased concerned about their corporate reputation Sayedeh, Saudah, Parvaneh, Sayyedeh & Seyyed (2014). Although they may practice CSR many SMEs tend to avoid CSR reporting due to its cost, potential legal liabilities, and lack of standards (Jones and Jonas, 2011). Tensie and Carly (2016) investments of firms in sustainability initiatives tend to build sought-after culture and engagement due to company strategy concentrating more on purpose and providing value to society. Furthermore, companies who embed sustainability in their core business strategy treat employees as critical stakeholders, just as important as shareholders, Employees are delighted to work there and feel part of a broader effort.

4.0 CSR and Sustainable Business Growth

CSR is seen as a significant factor in achieving economic goald and wealth genereation (Garriga & Mele, 2004). There is major rationalization that CSR is advantageous to the bottom line, at least when using a long term and value creation perception (Eccles & krzus, 2010; Husted, Montiel, Christmann 2015). Relating the study of Carroll (1979) on the various aspect of corporate social responsibility, Salehi, DashtBayz and Khorashadizadeh (2018) noted that in the present state of the world system, economic responsibilities are the most important aspect of CSR in which the main responsibility of each firm is profit making. Another area of the economic dimension of the CSR is growing and sustaining the profits level for interest groups. The second dimension of CSR is the legal dimension in which organizations should not break general rules. The third dimension of CSR is the ethical dimension deals with extra-legal issues this means that the ethical responsibilities are not necessary but the expectations of the society from the corporate bodies. The philanthropic dimension is the fourth dimension of CSR. The philanthropic responsibilities stand at the top of the pyramid and to be a good corporate citizen and expand the quality of life for the society is the purpose of these accountabilities (Carroll, 1979).

CSR is no longer conceived as purely a moral or social responsibility for the common good, but increasingly as a potential strategic resource to be leveraged to improve corporate financial performance, reputation, brand and customer relationships (Godfrey, 2005; Schuler and Cording, 2006). McElhaney (2009) noted that for CSR program to create value for businesses and propel positive social change, it has to be connected to the corporate strategy of the company. It should be factored into the company's core business objectives and core competencies. Tilakasiri (2015) is of the opinion that engaging in CSR as a way of establishing a responsible business organization can bring about some benefits and consequences. It is expedient for business organizations to carefully make their decision as regards engaging in CSR standards putting into consideration the benefits and disadvantages.

A firm's attention to CSR in terms of employee relations, by offering strong health and safety programs, providing equal opportunities, and encouraging employee involvement, increases current employees' motivation and commitment to the firm, lowers turnover, and improves productivity (Cho, Woods, Jang & Erdem 2006; Frank & Obloj, 2014;). Yoon and Chung (2018) studied the effects of different CSR types on firm performance both short term and long term in the restaurant industry. Distinguishing between a firm's socially responsible practices, in terms of internal and external CSR, which are directed at internal and external stakeholders, respectively, the study asserted that internal and external CSR influence a restaurant firm's financial value in different ways. A firm's initiatives for internal stakeholders (e.g., employees, managers, owners) are effective in increasing a firm's short-term profitability.

Branco and Rodrigues (2006) suggested that socially responsible employment practices are related to enhancing employees' morale and productivity, while reducing absenteeism and turnover. This enables the firms to save money on recruitment and training costs for new employees. In addition to the costs saving benefits, firms also have a higher productivity of labor, which eventually generates a positive financial performance. (Yoon & Chung, 2018). The findings of Garriga and Mele (2004) revealed that there is correlation between CSR and company performance, showed that more socially responsible companies had stronger economic results. The study of Rettab, Brik and Mellahi (2009) examined the connection between CSR operations and company performance; the outcome indicated that CSR has a positive association with all three determinants of company performance: monetary performance, personnel commitment, and corporate integrity. Galbreath (2008) also found strong positive links between CSR and organizational benefits among Australian firms. Yoon and Chung (2018) stated that he positive corporate culture and working environment in terms of internal CSR motivates employees and managers to have a strong commitment to their organizations, which lowers the turnover, and eventually generates positive financial profitability.

Stanfast and Carter (2020) suggested that while business entities involve in CSR practices, ethical standards should be maintained and also avoid personal and professional conflicts of interest. The CSR activities should not only focus on achieving competitive advantage for the business but also drive towards creating appropriate value for its stakeholders both internal and external as this can influence patronage and preference for product or services which will increase sales thereby improving revenue and profits. A company that uses corporate social responsibility standards as a way of establishing a responsible business group is usually stakeholder balanced and usually, stakeholder balanced companies have a growth rate as well as eight times growth rate in employment as opposed to those companies that focus on profit maximization and shareholders (Tai & Chuang, 2014).

Empirical evidence showed that there are mixed results as to how CSR can drive a business sustainable performance both financial and non-financial performance. the main goal of businesses is to achieve a higher level of financial benefits, gaining a sustainable competitive advantage plays a crucial role in achieving this fundamental aim (Sayedeh, Saudah, Parvaneh, Sayyedeh & Seyyed 2014). Jensen (2001) is of the opinion that CSR is is an overhead expense for businesses and it has a negative effect on the financial performance however, Yoon and Chung (2018) stated that positive corporate culture and working environment in terms of internal CSR motivates employees and managers to have a strong commitment to their organizations, which lowers the turnover, and eventually generates positive financial profitability. Furthermore, if an organization wants long-term sustainability, it should achieve profitability goals through practices accepted by society because CSR has a financial value and creating innovation in the long-term period (Dagiliene, 2013).

Corporate responsibility performance also impacts turnover and recruitment positively. Related studies have shown that firms with higher corporate responsibility performance can generate a reduced average turnover over time, it can also reduce annual quit rates and save replacement costs (Tensie & Carly 2016).

Corporate responsibility performance also positively impacts turnover and recruitment. Studies show that firms with greater corporate responsibility performance can reduce average turnover over time it can also reduce annual quit rates and save replacement costs (Tensie & Carly 2016). Yoon and Chung (2018) in their study found that given the impact of CSR practices on a firm's future market value, internal CSR has a non-significant impact on the firm's future value, when measured by Tobin's q. Lee *et al.* (2013) found that CSR practices for employees and governance only increase a firm's market value during an economic recession. This is because the CSR directly and strongly impacts the cost savings and increased profitability, which may help the firm survive during decreasing economic conditions, rather than during normal economic conditions. (Yoon & Chung 2018). Saudah, Parvaneh, Sayyedeh & Seyyed (2014) emphasized the significance of the role of CSR as an approach that creates intangible assets such as sustainable competitive advantage, reputation and customer satisfaction. Saudah, Parvaneh, Sayyedeh and Seyyed (2014) further stated that CSR can play a role in stimulating firm performance indirectly through enhancing customer satisfaction, reputation and competitive advantage.

5.0 Conclusion

Companies are making moves to protect their reputations and gain more competitive advantage in order to increase or maintain market share. In another view, there is increase in the demand for CSR reports by stakeholders. The study concluded that CSR activities adopted by any company must aim at achieving a particular solution to problem in the host environment. Even though some literature stated that cost of engaging in CSR activities might increase cost there by causing a reduction in the short term profitability level of the company, however, there is a bigger picture of the strategic sustainability of corporate entities. Findings reveled that CSR practice can drive sustainable business growth if it is applied strategically. Furthermore it important for management to understand that beyond achieving financial benefit and competitive advantage, there is the need to create value for every class of stakeholder because this can drive increased patronage and preference for product or services which at long run will lead to sustainable growth of the business.

Lastly, business entities both large business entities and medium scale enterprise in their capacity can adopt CSR reporting which is also known as sustainability reporting to increase accountability of the company to their host communities. Even though it might increase cost especially for medium enterprises it will increase confidence of the stakeholders in the company this can further improve the sustainability of the business.

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