The Relationship Between CSR, Strategic Planning and Sustainability

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Abstract: **Corporate social responsibility (CSR) attained a high enough profile and that many consider it as a necessity for organizations to define their roles in society and here to social, ethical, legal, and responsible standards. Nowadays, there are many factors influencing the companies reporting on CSR including stakeholder pressures, the economic crisis, growing awareness of sustainability issues as well as the appearance of more and more new reporting requirements initiated by national government and stock exchanges. In Malaysia, as a rapid developing country, committed and confident in achieving the 2030 United Nations Sustainable Development Agenda. The importance of addressing the topic of sustainable development has been widely acknowledged. Currently, most of such CSR studies focus on organizational perspectives, whereas it has been shown that the impact of individual perspective on the economy, the society, and the environment. This study is focusing on identifying the CSR activities implemented by corporations in Malaysia towards their stakeholders. The purpose of this study is to identify the relationship between the impact of CSR on their sustainability development. Specifically, conceptual framework in this study as a compilation of previous researchers mainly about sustainability, CSR, motivation and Triple bottom line. The outcomes of this study had shown the strategic planning from CSR activities have significant results with sustainable development. Furthermore, the practice of voluntary CSR will increase and as a result of an improved sustainability performance through better management information models to society. In conclusions, it is very important to place the measured outcomes of sustainability in this context in order to provide clear view of the true impact on the sustainability performance for the development of society, economy and nation in Malaysia.**

Keywords: **Corporate Social Responsibility, Sustainability, Strategic Planning**

I. INTRODUCTION

Over the last decades of the twentieth century and the first decades of the twenty-first century, there have been developed a diversity of concepts related to social responsibility: corporate social performance, corporate citizenship, corporate accountability and corporate governance.

Currently, Corporate Sosial Responsibility (CSR) is a subject of increasing interest in business practice and and there are many advantages to its implementation such as for sustainable development (Kirat.M, 2015 & De Grosbois, D., 2012). The main topics of CSR considered aim at the horde of actions and the consequences they can have on business. The managers are responsive of the diversity of legal norms, standards, practices and CSR needs for the nation, region or line of business, and of the fact that local managers are subjected to persistent pressure from stakeholders in order to enhance their involvement in CSR.

Based on two main subjects which is corporate social responsibility and sustainability development, the combination of these two subjects are often described as an important component in challenging an organization. While, entrepreneurship issues among the people of Terengganu have given an idea and challenge to carry out a study focusing on the impact of CSR activities that influence the motivation of entrepreneurs who bring about sustainability towards socio, economic and the environment. Firstly, the concepts of CSR, which illustrates a different level between the two levels of the organization, namely institutions and individuals (Morgeson, Aguinis, Waldman, & Siegel, 2013). Furthermore, this study attempts to undermine the impact of CSR activities on motivation of service recipients leading to sustainability. This CSR study will focus on relationship between the concept of Triple Bottom Line (3P's) (people, planet, profit) towards sustainable economic development, social development and development of entrepreneurs.

II. CSR CONCEPT

Corporate Social Responsibility (CSR) was first appeared around 1953 by Howard Bowen who published a book entitled Social Responsibility of Businessman. Bowen (1953) became known as the father of CSR. The definition of CSR according to the circle of Indonesian CSR studies is "earnest efforts from business entities to minimize negative impacts and maximize the positive impacts of their operations on all stakeholders in the economic, social and environmental spheres in order to achieve sustainable development goals". Implicitly, this definition means inviting the company to provide benefits for its presence for humanity. According to the World Business Council for Sustainable Development, CSR is not just a discretionary, but a commitment that is a necessity for the company, philosophically if the company strives to be useful to mankind and the environment then in the long run it will certainly still exist (Rachman, Effendi, Wicaksana, 2011) CSR is closely related to sustainable development which has the principle of meeting current needs without sacrificing the fulfillment of future generations' needs).

III. SUSTAINABLE CONCEPT

The concept of sustainability is increasingly recognized in management research and entrepreneurship in particular (Shepherd & Patzelt 2011). This concept comes from the forest ecosystem which at the time refers to a reduction in harvest yields from new growth (Dovers, 1997; Hussain & Rigoni, 2016; Kuhlman & Farrington, 2010; Shrivastava, 1995). The concept of sustainability continues to be developed through the interpretation of the three-dimensional harmony of social, economic and environmental (Kolk, 2008; Kuhlman & Farrington, 2010; Maltz, Bi, & Bateman, 2016).

IV. CSR, ORGANISATION AND SUSTAINABILITY

Traditionally, the main goal of forming a company or organization is to generate profit. With the various forms of economic crisis that hit the 20th century as well as the maturity of the corporate world in business, a business organization has grown to a more advanced level based on good corporate governance considerations. While the consideration of excellent corporate governance remains a relevant and ongoing thing to this day, the concept of modern business also emphasizes the idea of business sustainability and corporate responsibility. The idea is known as Corporate Social Responsibility (CSR) which began to be said when Henry Ford highlighted business ideas as a service. But the community at that point rejected the idea for decades and then the idea began to expand and widely discussed.

According to Coombs and Holladay (2011) in his book Managing Corporate Responsibility a Communication Approach defines CSR is a voluntary action undertaken by an organization to fulfill its obligations to stakeholders, including workers, communities, the environment and society as a whole. The CSR phenomenon was triggered by Howard Bowen (1953) called the CSR father, which defines CSR as the businessman's responsibility to continue the policy and make decisions or outline action in line with the objectives and values of our society (Carroll & Shabana, 2010; Carroll, 1991; Carroll , 1979). CSR is a strategy used by large organizations aimed to build a good reputation and avoiding scandals that may damage their brand (Will & Hielscher, 2014; Choi & La, 2013; Dowling & Moran, 2012). Refers to the definitions conveyed by Coombs and Holladay (2011) that relate the concept of CSR to an organization-specific action and its policies that take into account the stakeholders and the "triple bottom line" - economic, social and environmental indicators - it's a "triple bottom line".

This term was originally created by John Elkington which emphasizes the difference between the three dimensions of sustainability, namely social, economic and environmental performance (Meixell & Luoma, 2015). Additionally, the term involves both the CSR concept and the corporate sustainability of an organization. The "triple bottom line" policy consists of three different dimensions. First, is the economic dimension of financial contributions to stakeholders, for example shareholders or employees (Elkington, 2004). Second is the environmental dimension of organizational responsibility towards the external environment as well as aspects of internal environmental management (Elkington, 2004). The third and last dimensions of the "triple bottom line" are social dimensions which refer to ethical issues such as diversity, work conditions and safety (Glac, 2015; Elkington, 2004). This model suggests that organizations can only be maintained if they combine all the "triple bottom line" dimensions, which not only benefit the environment and society, but also make an organization more competitive and make a positive economic performance for long periods of time (Glac, 2015; Henriques & Richardson, 2013).

V. DISCUSSION BETWEEN CSR AND STRATEGIC PLANNING

This study found that the theme of strategic planning was seen to influence the impact of CSR activities on motivation of entrepreneurs leading to the sustainability of an organization. This can be identified through how the service provider organization combines CSR in their strategic work. Strategic work planning by setting up a future agenda or planning that consistently contributes to the different stakeholder benefits of the "triple bottom line" dimension. Elkington (2004), defines the "triple bottom line" as a balance of social, environmental and financial performance that leads to long-term sustainability of the organization or other stakeholders. However, in the context of CSR, it is also important to balance the interests of different stakeholders when planning and implementing an activity (Freeman, 2010; Harisson & Freeman, 1999). This suggests that strategic work through CSR activities is one of the strategic plans that are aligned with the "triple bottom line" balance that impacts the sustainability of the stakeholders.

In this study, the first dimension of "triple bottom line" is that people are referring to entrepreneurs (stakeholders) who receive services from their own organization. According to Hubbard (2009) the group of stakeholders relates directly to their value-building skills class environment. This is something emphasized by research informants, for example through strategic planning, trying to help entrepreneurs in developing skills and expanding their business can drive towards the sustainability of the entrepreneur itself. Practical implementation involving future planning through action plans, development plans, succession plans and training sessions aimed at helping entrepreneurs continue to grow and sustain. This suggests that CSR activities towards the stakeholder group representing the social dimensions of the "triple bottom line" also involve an important value class for entrepreneurs. Organizations will continue to be consistent in the sense of being responsible for society because of the "triple bottom line" demands. The society consists of both social and environmental dimensions in the "triple bottom line" because it involves something that is alive and also environmentally. This argument is supported by the holder's theory and more specifically by "the grid of values" delivered

by Longo et al. (2005), which clarifies the community has two claims on an organization which is a value added to society and the security and protection of the environment. In the context of this study, CSR activities of the organization also emphasize the surrounding community, for example with their CSR program, Entrepreneurship for Single Mothers, which provides training to single mothers to become entrepreneurs in helping them to improve their standard of living that can lead to sustainable development from their economic.

The first sub theme identified under the theme of this strategic planning is communication. Communication is a key theme because feedback is an important part of strategic planning. According to Vansteenkiste et al. (2006) positive feedback has a direct relationship to one's motivation for their achievement and become motivated to do something. Ashford, Blatt, and Walle (2003) and Amabile (1993) cite the fact that the feedback system in the growing organization is to incorporate a comprehensive feedback system and one can receive feedback from friends, subordinates and supervisors. The management mentioned the feedback received through meetings with entrepreneurs to discuss their problems. Compliance with regulation is an important element in this communication process between these two groups. A strategic planning goal will be created when the stakeholders follow the rules and regulations outlined by the organization. Job satisfaction will be borne and this is also identified as part of a strategic planning form to identify the issues and efforts to develop the sustainability of the stakeholders. Job satisfaction comes from their expectations and needs which mean that if the expectations of an individual are fulfilled, they will be more motivated in the future (Moynihan & Pandey, 2007).

An organization, especially organizations in the field of service, will seek and receive feedback on entrepreneurs' complaints. Organizations in the service industry should care about the quality of services provided to their entrepreneurs and this finding is in line with Yee et al. (2010) stating that the customer's concern is concerned with the quality of the service (feedback) from the CSR point of view. The study found that organizations are also thinking about the quality of services provided to encourage their entrepreneurs to work harder in developing their sustainability. The most important thing for customers is the quality of service they get (Claycomb & Martin, 2001). Feedback is an integral part of the service with an important meaning for customers to receive feedback on services received by them (Longo et al., 2005; Claycomb & Martin, 2001). As such, this is deemed to relate to communication. The study believes that an organization should always engage in dialogue with their entrepreneurs to know the needs and to improve the quality of their entrepreneurs and as a strategic planning measure in the effort to create the sustainability of stakeholders or service providers.

The next sub theme under the theme of strategic planning is the improvement of the brand aspect through CSR activities. CSR is referred to as a way to market one's brand. For example, by advertising a CSR program, it is part of an organization's strategic planning. Customers will be interested in what is being advertised. Some organizations only use CSR as a way to avoid scandals and display a good reputation (Will & Hielscher, 2014; Choi & La, 2013) or in other words to advertise brands (Will & Hielscher, 2014; Choi & La, 2013; Dowling & Moran, 2012). This is supported by informants saying they feel that CSR is a way to advertise a person's brand. The post-impact impact on entrepreneurs also, CSR has been shown to influence the customers' desire to join the organization (Choi & La, 2013). CSR is part of an organization that can help to be more competitive in attracting future customers (Choi & La, 2013). As such, when an organizational brand is strong, its impact is also turned over to other stakeholders.

The next sub-theme under the strategic planning discussed in this study is the diversity that refers to the variation in providing strategic planning that has been applied by the organization and has a positive impact on non-financial results such as improved demographic profiles (Su et al. CSR, variation in work is under the field of micro-research (Lyon & Maxwell, 2008; Carroll, 1999). Once investigated it can be linked to a "triple bottom line", taking into account the diverse social issues that can be made into sub themes an organization that wishes to maintain its continuing operations should emphasize "3Ps" (Elkington, 1997) In addition to pursuing profit, the organization must also focus on the well-being of the people and contributing to the preservation of the environment. that, the diversity issue in strategic planning is capable bringing a positive impact to the recipients of the service. Every entrepreneur is different and therefore needs to be dealt with in different ways. This theme is based on the fact that organizations have entrepreneurs from all walks of life, not just race, age, gender, but also in terms of personality and working style. The basis for such a statement is to refer to Maslow's pyramid requirements (1943) and Herzberg's two-factor theory (1968) is that what drives a person is unlikely to be the same as inducing other individuals. Likewise, not everyone is motivated by the same activity (Vansteenkiste et al., 2006). Therefore, understanding the differences between each need is one of the strategic planning efforts of an organization to create the sustainability of the stakeholders.

Another theme that has been identified is a reward. Rewarding is one of the organization's strategic initiatives involving a large part of both intrinsic and extrinsic motivation. In terms of intrinsic motivation, reward is something that encourages someone to get something out of work that is a reward that comes from within (Ma et al., 2014). On the other hand, the rewards in terms of extrinsic motivation are when one receives some kind of external remuneration to complete the task (Gerhart & Fang, 2015). When the study discusses these concepts with management, they arouse how they reward their entrepreneurs leading to increased motivation for entrepreneurs and helping them to lead to more sustainable efforts. The management clarifies that the basic steps as an

extrinsic reward such as receiving awards can help entrepreneurs get a higher level of reward. This is in line with Maslow's pyramid step (1943) which explains that lower steps in the pyramid of necessity must be completed before a higher step can be achieved. Recognition is one of the branches of rewards which refers to entrepreneurs receiving recognition for doing good work that can contribute to the driving factor to a more positive motivation to move forward. When entrepreneurs have contributed to something positive, they automatically desire to convey the matter to their environment. This may be attributed to Maslow's pyramid requirements (1943) which refers to self-actualization requirements in the pyramid. Self-actualization involves the idea of who wants to achieve self-fulfilment (Maslow, 1943). Not only do they want to accomplish their own goals but also so that they can accept some kind of recognition for it either for themselves or for the recognition of others. Accepting acknowledgments and recognition will enable individuals to achieve the goal of isolation to their enriched jobs.

VI. CONCLUSION

The concept of CSR that has linked corporates with human rights issues, environmental conservation, human resource management, safety and health, relationships with suppliers and customers and relationships with local communities is seen to have had a positive impact on the economy, the environment and the financial which is holistic and comprehensive. Interest expressed by community members on CSR should be maintained so that its impact and effectiveness reach industry and end users, which not only sparked debate on history, scope, component, use, shape or relevance.

The role of CSR encompasses the application of noble values and has a positive impact on the communities and companies involved. CSR programs undertaken by corporate bodies are comprehensive in the aspects of the environment, workplace, community, market and education and have benefited everyone. Implementation of this CSR can produce ethical corporate entrepreneurship, consideration of the needs of the community and the cooperation of various races and religions in addition to reducing pollution and environmental damage. The impact also accepted by the organization itself. The fairness of CSR activities is implemented because this is one of the organization's strategic planning efforts to sustain. This sustainability indirectly attempts to improve the economic growth of local and national communities. In conclusion, the role of implementing this CSR program has indeed had a positive effect on the giver and recipient organizations through the 3Ps cycle.

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