


CORPORATE SOCIAL RESPONSIBILITY IN THE CONTEXT OF ESG: DEVELOPMENT AND TRENDS

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Abstract. The unexpected and complex situation facing global society as a result of COVID-19 pandemic has highlighted the importance of companies' commitment to social responsibility. For this reason, scholars have called for a more comprehensive picture of corporate social responsibility (CSR) research. Each country is trying to introduce and practice different approaches and methods to develop this concept. This article analyzes CSR trends in five countries, such as the USA, China, India, Russia and Kazakhstan. The purpose of this article is to identify the most important trends that are used in all countries by comparing the current methods used in the mentioned countries, as well as proving that the trends can differ depending on the main problems in the countries. In this paper, an analysis of scientific papers on the topic of CSR, the selection of articles and the analysis of selected articles were carried out. A content analysis of publications on the topic "corporate social responsibility" was carried out for all time and for the last 5 years. An information on CSR trends was collected from news publications of each country to compare them. The article proved the current relevance of 'S' in ESG by analyzing scientific publications on this topic. The analysis showed an active growth of publications on the development of CSR over the past 5 years, especially the period from 2020 to the present day.

Keywords: corporate social responsibility, ESG, sustainable development, SDGs

Introduction

Nowadays, the key principles of CSR are usually included in the concept of sustainable development of companies – balanced development in three aspects: environmental, social and governance (ESG). CSR is closely related to sustainable development and is often included in companies' ESG strategies. ESG practices can be used to evaluate how well a company is adhering to the sustainable development and corporate responsibility goals they set (Khediri, 2021). Compliance with the principle of sustainability leads to increase of share prices and investment attractiveness of company, which can increase likelihood of getting loans from banks (Wu and Huang, 2022).

Globalized markets, along with increasingly unstable economic environments and changes, impose on companies the need to adopt strategies that, in addition to give them a competitive advantage over other organizations, promote their sustainability (Khediri, 2021). Business tries to adhere to the ESG principles of sustainable development, it means to take care and prevent damage to the environment or create good social conditions for employees or conduct competent management activities (Chaffee, 2017).

Despite the fact that companies are undeniably trying to adhere to these principles, there are problems in implementation corporate social responsibility into business practices due to lack of knowledge

of trends. This is a consequence of the lack of necessary information, as well as the insufficiency of scientific works that include a comparative analysis of CSR trends.

This article reviews the literature on the development of ESG and CSR. In addition, this study is devoted to the analysis of the relevance of CSR based on existing literature and a comparison of the development of CSR trends from news publications in the USA, China, India, Russia and Kazakhstan and their current state. Based on the analysis, similar trends that are applied in all selected countries were identified, as well as distinctive ones that have arisen depending on the problems of countries and the requirements of society.

Literature review

Development of ESG concept

Each letter of the word "ESG" refers to one component:

1. E – environmental criteria. It includes corporate climate policies, energy use, waste, pollution, natural resource conservation and treatment of animals (S&P Global).

2. S – social criteria or CSR (corporate social responsibility). This aspect looks at the company's relationships with internal and external stakeholders (Harvard Law School Forum). It's taking into account the society interests by being responsible for the impact of their business.

3. G – governance. This criteria is responsible for the high quality of corporate governance (Friede et al., 2015).

Modern ESG principles first appeared as a solution to environmental problems – like global warming, climate change. Climate change had become a major issue by 1989 that led to the first considerations of social principles in 1990. On the other hand, E.C. Chaffee claims that social components already began to form in ancient Rome, where they had shelters, homes, hospitals for the poor and old people in the 16th century (Chaffee, 2017). These their actions can be considered as social responsibility in early days.

At the end of the 19th century and at the beginning of the 20th century, actions similar to modern ESG principles began to appear. For Carroll their examples are protection and retention of employees and actions aimed at improving the lives of employees (Carroll, 2008). For Heald – donations of US companies to the orphanage and the construction of a settlement in order to improve the quality of life of employees (Heald, 1970). In the middle of the 20th century, managers began to take responsibility for maximizing profits, which led to the social and economic responsibility of organizations (Carroll, 2018). M. Friedman in this honor said that ESG has an analytical looseness and lack of precision. He argued how business can have “responsibility”. He also claimed that some companies use the CSR as a mask for actions that are justified by other motives than the real reason for these actions (Friedman,

1970). Taking into account that Friedman expressed this idea 50 years ago, it should be noted that at the present time, there are also studies and expert statements that share his opinion. All of the above draws the attention of researchers to the fact that despite the seemingly widespread opinion about social responsibility as a need for sharing responsibility, the study of research results shows a differentiation of opinions, both 50 years ago and at the present time.

Returning to our days, modern ESG principles was first formulated in 2006 by Ex-General-Secretary of UN Kofi Annan. He suggested that the managers of large global companies have to include these principles in their strategies, primarily to combat climate change. Next organization that made contribution is the EC (European Commission). They adopted a declaration against social exclusion in order to work with unemployment (CSR Europe n.d.)

The agreement and the adoption of the seventeen Sustainable Development Goals (SDGs) took place in 2015. The SDGs cover a wide range of areas, such as climate change, eradicating poverty and hunger, promoting innovation and sustainable consumption.

If we consider each criteria of ESG, environmental criteria is probably the most developing now, but since this criteria requires high expenses, social criteria comes on the top.

Development of CSR

T. Johnson classified the historical evolution of the CSR into four different periods that are shown in figure 1.

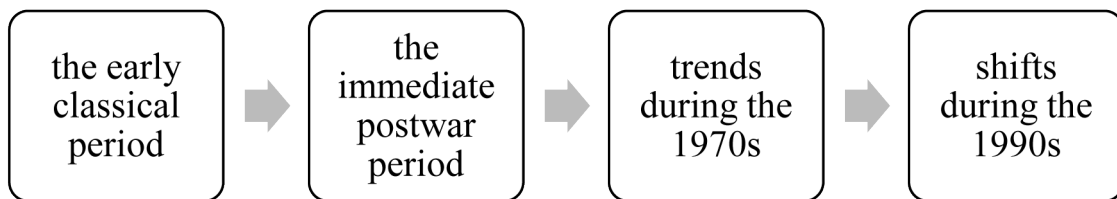


Figure 1. History of CSR (Johnson,2010)

The early classical period

As the origin of the emergence of CSR concept can be considered the beginning of the 19th century when the protection of the workers right was begun. One of the founders was the British industrialist Robert Owen, who developed a plan to improve the living conditions of workers and tried to implement it in one of the factories in Scotland. Although his attempts failed, his ideas helped workers to realize their own rights and importance. After that, in the

1920s and 1930s, the managers of the organizations had already begun to take responsibility for their workers (Clark,1939).

The immediate postwar period

Social responsibility became even more popular after the Second World War. Carroll (2008) notes the rise in the manifestation of the CSR issue in the post-war period. He claims that companies begun to be seen as institutions with social responsibilities.

Corporate charity was already a trend of normal life. The foundations of CSR were the principles of stewardship and charity (Johnson, 2010).

Trends during the 1970s

Only at this period the exact definition of the term “social responsibility” was considered correctly. For that reason this period was considered to be the beginning of modern CSR. It was not until the 1970s that practical significance was given to CSR (Lee, 2008).

Shifts during the 1990s

The 1970s trends are followed by the shifts that existed during the 1990s (Matten and Moon, 2005). At this stage, a special place is occupied by the UN Conference on environmental protection and sustainable development. Its result was the global recognition of the sustainable development and ESG importance. In fact, at this stage, everything was finally formulated: the ideology, direction, setting tasks and goals.

A new wave of interest in CSR arose in the first decade of the 20th century, this is about the institutionalization of CSR, which is a process of transplantation, formation and consolidation of relevant norms and restrictions. A number of interesting publications about this process have been published in the works of R. Ackerman, J. Moon, M. Kitzmüller, J. Campbell and others. The study of this process considered the main factors in the formation of the CSR institution, its main characteristics, features and functions. The process of institutionalization of CSR is considered to be still incomplete and emerging.

Today, the impact of CSR on markets, the economy and society is of particular relevance. Recently, more and more attention is paid to the impact of CSR on the economy and market (Kitzmüller, 2010).

This article examines 2022 CSR trends.

Methodology

In this paper an analysis of scientific papers on the topic “ESG” and “corporate social responsibility” was carried out.

First step was selection of papers from database Scopus and other resources. This step included identifying key words, finding scientific papers and choosing necessary ones.

Next step was analysis of selected articles. Papers were reviewed and studied in depth. Their aims, statements and conclusions were analyzed. Research gaps were highlighted for further research.

A content analysis of publications on the database Scopus on the topic “corporate social responsibility” was carried out for all time and for the last 5 years using different filters and graphs were built based on this analysis. An analysis of publications on the CSR topic and CSR trends in five different countries were conducted. These countries included the USA, China, India, Russia and Kazakhstan.

An information on CSR trends was collected from news publications of each country. Based on the collected information, a table was constructed indicating the relevant ones for each country. In conclusion, a comparative analysis of the CSR trends of the selected countries was carried out, identifying common and distinctive trends.

Results & Discussion

Descriptive results

A comparative analysis of publications on the database Scopus on the topic “corporate social responsibility” was carried out for all time and for the last 5 years using different filters. It should be noted that the first publications on the CSR topic were published in 1957, while the UN Sustainable Development Goals were adopted much later as global guidelines for the implementation of approaches to the social responsibility of business. The results are shown in Table 1. Using these results, two graphs were built in different periods, which are shown in Graph 1 and Graph 2.

Table 1 – Number of publications in the database Scopus from 1957 to recent times

Applied filters	Total number of publications from 1957	Number of publications in the last 5 year
Term “corporate social responsibility”	29 626	13 767
Branch “Business, Management and Accounting”	18 247	8 138

From this table it can be concluded that more publications were published in last 5 years on the

CSR topic than from 1957 to 2017. This is justified by the relevance of this topic now than then.

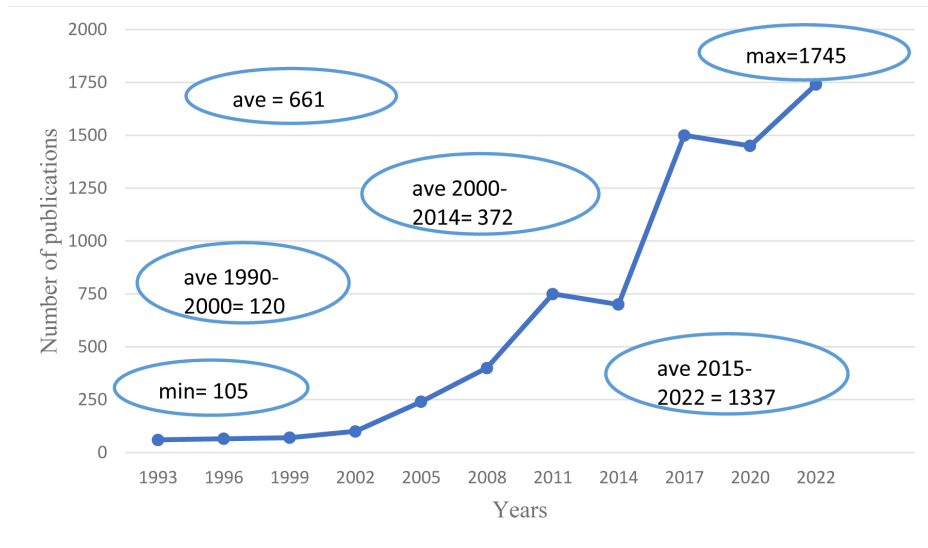


Figure 1 – Number of publications from 1990 to present times

Since the appearance of the term CSR, publications on this topic have been published since 1957. But this graph shows data from 1990 due to the low number of publications before that time. According to this graph, it can be concluded that in the period from 1990 to 2002, the development of the relevance of the

CSR topic was rather passive. Stable dynamic growth of development originates from 2002 and is actively growing to this day, which explains the important role of CSR in society at the present time. Also the minimum and maximum number of publications, the overall average and the average for the periods are shown.

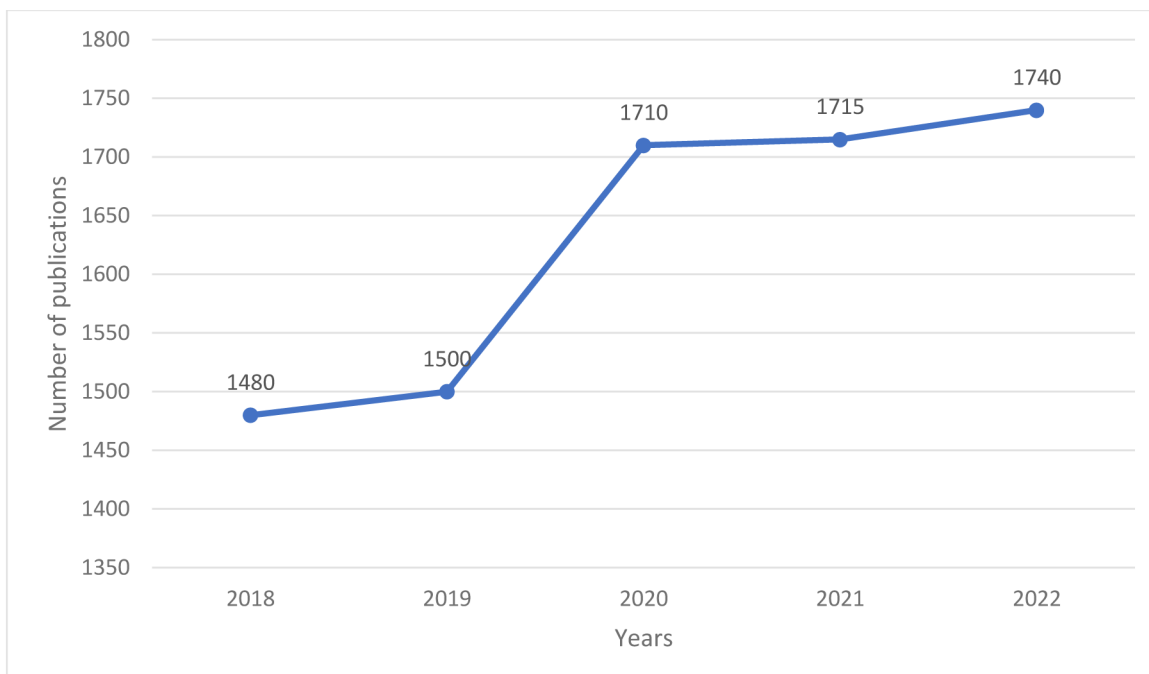


Figure 2 – Number of publications from 2018 to present times

The relevance development over the past 5 years has remained stable and is still growing. The reason of a peak in 2020 is the influence of Covid-19 pandemic, since the society has unwittingly begun to demand the social responsibility of everyone.

An analysis of publications on the CSR topic and CSR trends in five different countries were conducted. These countries included the USA, China, India, Russia and Kazakhstan.

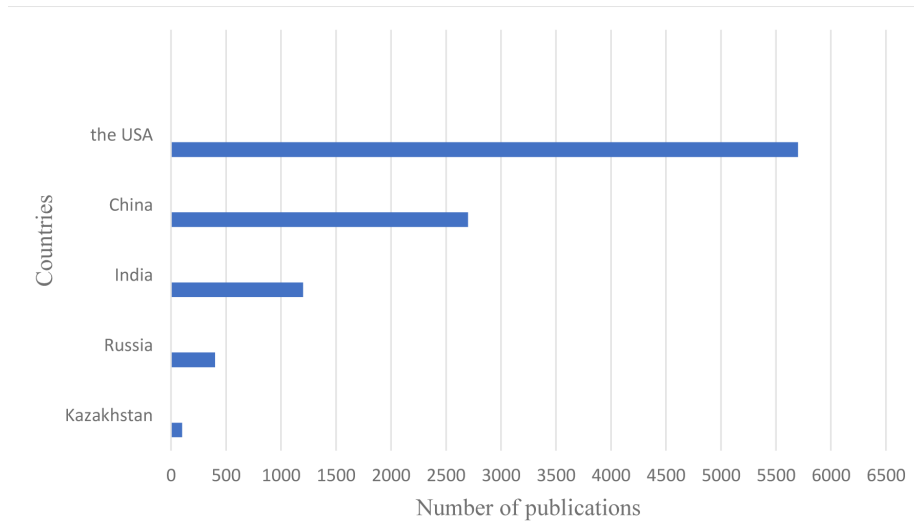


Figure 3 – Number of publications by countries from 1957

This graph shows that in the first three countries there is an active study of the topic of CSR, while in Russia and Kazakhstan there are few publications on this topic. A small number of studies and publications proves that Russia and Kazakhstan haven't occupied a worthy position in the ratings for the dissemination of CSR norms yet. This fact can be explained by the fact that in these countries there are many obstacles to business development. It is possible to highlight the barrier that almost all companies face when implementing CSR – the lack of commitment and interest of the company's management and the lack of interests of its partners.

Content analysis results

Analyzing the trends, Table 2 was compiled listing them in the countries listed below.

The study identified trends that are relevant in all countries and play a priority role in the implementation of CSR in organizations. These trends

include implementation of charitable programs that are highlighted with purple, implementation of social packages at the enterprise that are highlighted with green and improvement of working conditions for employees, staff development and training that are highlighted with orange and corporate volunteering that are highlighted with blue.

From the highlights it can be easily seen that India is the least highlighted one, which shows that their trends are less similar to others. This can be justified by the fact that India, to be precise, their problems are very different from the selected countries. Problems such as air pollution in towns and country sides of India, demographic problems, inequality of people, hunger and many other important problems have reached frightening levels in India. All of the mentioned problems are influencing and taking into account in the formation of CSR trends.

Table 2 – 2022 year trends of selected countries

Selected countries	Trends
The USA	<ul style="list-style-type: none"> – necessity of equity and diversity – employee training – measuring CSR impact – development of corporate volunteering – green technology – providing opportunities for employees – full supply chain accountability – close focus on SDGs – charity – focus on sustainability
China	<ul style="list-style-type: none"> – reduction of greenhouse gas emissions – controlling energy consumption – waste reduction – employee training – social packages – providing the opportunity to work remotely – implementation of charitable programs
India	<ul style="list-style-type: none"> – eradicating extreme hunger and poverty – promotion of education, gender equality and empowering women – charitable programs – combating HIV-AIDS and other diseases – ensuring environmental sustainability – contribution to the PM's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief – volunteering programs
Russia	<ul style="list-style-type: none"> – employee's health – development of corporate volunteering – charity – reducing employees' stress – regional development – solving environmental problems
Kazakhstan	<ul style="list-style-type: none"> – implementation of social packages at the enterprise and improvement of working conditions for employees – corporate volunteering – charitable help to society – staff development and training – regional development programs

The essence of the trend “implementation of charitable programs” is the systematic work of companies with charitable foundations, public organizations in such areas as culture and art, science and education, the social sphere, ecology and sports. The basis in this area is the concept of a charitable program – a set of measures aimed at solving problems and meeting the needs of society. At the same time the analysis showed that CSR trends in different countries may differ depending on the existing problems in the state and on the culture and requirements of society.

One of the important internal CSR trends in companies of all countries is “implementation of social packages at the enterprise and improvement of working conditions for employees”. Engaging employees and improving the quality of their work has a direct impact on increasing the profits of the

organization. This concept includes the creation of such conditions as the flexible work schedule, timely payment of wages in the appropriate amount, a flexible system of bonuses, pension and medical insurance, social packages, including parking, food, and the provision of the necessary gadgets.

Today, the external and internal conditions of the organization functioning are changing very quickly, which sets the task of developing the trend “training personnel for work in new conditions” before companies. Employers must pay much more attention to having competent and highly qualified employees. Modern methods include coaching, mentoring, buddying, shadowing, counselling, rotation, distance learning, etc. The enterprises should stimulate and support innovation, respectively, actively involve its employees in innovation activities, which will increase professionalism. For such purposes, com-

panies can create conditions by providing opportunities such as paying for a second higher education, stimulating innovators, introducing new technologies, and stimulating a healthy lifestyle.

The next key CSR trend, which is relevant in all countries, is corporate volunteering. The way to implement this trend is the cooperation of management and staff in the implementation of CSR. This practice is already carried out in many companies in different countries. For the correct implementation of this trend, employees need to convey that such an investment in CSR is not capable of giving a quick return and sometimes can only bring moral satisfaction. The essence of this trend is not to receive financial profit, employees are involved as volunteers in various places like hospitals, orphanages, nursing homes, etc.

Since there are many indicators that can affect the impact of a business, it can sometimes be unclear which ones have the most direct impact. For this reason, the United States has placed emphasis on measuring CSR impacts such as employee engagement, social return on investment, customer growth and retention, and continuously monitoring these metrics will help to ensure CSR success.

While the USA is one of the first countries to implement CSR, in China the concept of CSR is relatively new. Afterwards of natural disasters and numerous destructions, the Chinese public needed the assistance of business in the recovery process. Starting from 2008, companies began to promptly provide assistance in support of society, which later let social responsibility to become an integral part of doing business.

Studying the trends in China, it is easy to understand that the environmental aspect is in focus in this country. This is due to the fact that China is the most populated country in the world, which directly affects the ecological state. China has significant environmental problems associated with industrial development and is the world leader in greenhouse gas emissions (Tolokonnikova, 2014). For this reason, reduction of greenhouse gas emissions and waste reduction are China's top CSR trends.

The development of CSR strategies in India is different. The analysis revealed a paucity of research and data on the development of CSR in India and revealed the old-fashioned nature of CSR trends. Looking at trends, we can notice the lack of CSR trend upgrades since 2013.

Eradicating extreme hunger and poverty is the most important CSR trend in India because of the country's global poverty. The British Indologist G. F. Papanek believes that the main causes of poverty are the traditional low growth rates in agriculture,

the stagnation of salaries and low demand for labor in the industrial sector (S. Dreze et al., 1989).

One of the consequences of poverty is the impossibility of obtaining quality medical services. For this reason, India has a very high incidence, which leads to the importance of "combating HIV-AIDS and other diseases" trend.

Discussion

Comparing the trends of different countries, it can be concluded that in order to introduce CSR methods and trends, countries can implement similar trends of all countries, but they should not forget about the trends that will depend only on their countries' global problems. During the analysis it was determined that India's CSR strategies are very different for this reason, while the strategies of Kazakhstan and Russia are similar. China pays more attention to environmental aspects in the formation of CSR strategies.

America was one of the first countries to show anxiety about environmental degradation (Danshina, 2017). The study shows that a sustainable CSR culture has already been formed in the United States, which implies following all its principles and trends by all organizations. The most important trend in the United States is the need for equity and diversity, since the territory of the United States historically unites representatives of different nationalities and conflicts often arise on national and religious grounds.

As a result of the analysis, the similarity of the CSR trends in Kazakhstan and Russia was revealed. In both cases, special attention is paid to the "development in regions" trend.

The current positively influencing trends in the development of CSR in Kazakhstan include the support of the president, the adoption of the national standard ISO 26000, and the promotion of CSR as a business tool. The results of the review showed that helping people in need and other charity ranked first, while projects aimed at developing society and consumer rights ranked second and third. Projects aimed at improving and protecting the environment and improving labor practices were even rarer.

Recently, Russian society has begun to understand that corporate social responsibility is not just charity or, on the contrary, profit optimization (Ablander and Curbach, 2017). Now they could understand that corporate social responsibility can be characterized as a win-win strategy for a company. Internal corporate social responsibility is more popular in Russia, which includes improving the working conditions of organizations' employees.

Conclusion

ESG principles have been the main trend in the development of the entire global business community over the past few years. The article provided a literature review of the development of the ESG and CSR in the context of the ESG, indicating important periods of development.

The article revealed the essence and origin of CSR through the study of scientific researches, reflecting the conclusions of researchers on this issue. The analysis showed an active growth in the development of CSR over the past 5 years, especially the period from 2020 to the present day, which was a consequence of the pandemic, which changed the understanding and development trends of CSR. The situation that has developed in the context of a pandemic has led to emergency actions on the part of organizations.

It was concluded that in the USA, China and India, the term CSR is been actively studying and mentioning, while in Russia and Kazakhstan there is a small number of published scientific works on this topic. This is justified by the insufficient level of CSR development in these countries.

This work also includes a comparative analysis of CSR trends of five countries: the USA, China, India, Russia and Kazakhstan. CSR trends, such as implementation of charitable programs, implemen-

tation of social packages at the enterprise, improvement of working conditions for employees, staff development and training and corporate volunteering are relevant in all selected countries. There are also distinctive trends that are applied only in certain countries that have arisen depending on the existing problems of countries and the requirements of society. For example, the most important CSR trend in the United States is the need for equity and diversity, in China environmental aspect is in focus. For this reason, reduction of greenhouse gas emissions and waste reduction are China's top CSR trends. Eradicating extreme hunger and poverty is the most important CSR trend in India because of the country's global poverty.

The similarity of the CSR trends in Russia and Kazakhstan was revealed. In both cases, special attention is paid to the "development in regions" trend.

The correct application of important and CSR trends has a positive effect on the development of the company, strengthening the company's influence on the market, increasing the loyalty of employees and customers, and thereby increasing the company's profit. The most important result of applying CSR in a company is participation in social and economic changes. Companies by taking on this responsibility are making a significant contribution to improving the quality of life of people around the world.

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