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Navigating the Nexus: *Corporate Social Responsibility* in Globalised Business Environment

 **Arhan Sthapit****Editor-in-chief* **ORCID** <https://orcid.org/0000-0002-2799-4936>

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In today's interconnected and dynamic global business environment, the concept of Corporate Social Responsibility (CSR) has emerged as a crucial paradigm for organisations seeking sustainable success, and the role of business firms transcends traditional profit-centric models. As businesses go global, the ethical and social implications of their operations become increasingly significant (Sthapit, 2020) and their impact extends far beyond financial metrics. Nepalese studies also show that firms' CSR activities influence several business aspects including customer satisfaction (Sthapit, & Affeezah-Falak, 2016) and purchasing decisions (Sthapit, & Sharma, 2018 Nov 24), as well as the firm's reputation and profitability (Chapagain, 2021). This write-up delves into the evolving landscape of CSR in the context of a highly interconnected and globalised business environment.

The Global Imperative

The acceleration of globalisation has ushered in a new era of challenges and opportunities for businesses (Sthapit, 2020). As companies traverse geographic boundaries, their influence on societies, economies, and the environment becomes increasingly profound. In this context, CSR emerges not merely as a philanthropic endeavour but as a strategic imperative (Sthapit, 2021 July). Recognising the interconnected nature of the globalised business environment, responsible corporate practices are indispensable for sustainable development and long-term success.

*Prof. Dr. Sthapit is Professor at the Faculty of Management & Law, Nepal Open University. With 22.5 years of industry experience, he is a practitioner-turned-academician. He has published 85 papers mostly as single/principal author in peer-reviewed journals of international repute (including those Scimago/Scopus indexed).

The Triple Bottom Line

CSR has transitioned from a peripheral consideration to an integral component of corporate strategy. As posited by [Elkington \(1997\)](#), the concept of the Triple Bottom Line (TBL), emphasises social, environmental, and economic dimensions and encapsulates the multifaceted nature of contemporary corporate responsibility. Beyond financial profitability, companies are now evaluated based on their impact on people, planet, and profit, the triple bottom lines.

Stakeholder Engagement

The globalised business environment necessitates a paradigm shift in the way companies engage with stakeholders. Effective CSR strategies involve a transparent and inclusive approach that considers the interests of diverse stakeholders, including employees, customers, communities, government and investors. As businesses grapple with the complexities of cross-cultural interactions, cultural sensitivity and adaptability become critical in shaping CSR initiatives. Hence, there is the Stakeholder Theory of CSR that remains relevant in the global business environment due to its emphasis on considering the interests of a wide range of diverse stakeholders. This approach not only helps businesses navigate the complexities of the global marketplace but also contributes to long-term sustainability and ethical corporate behaviour.

Shared Value Approach

The Shared Value (SV) approach to CSR—propounded by [Porter and Kramer \(2011\)](#)—is a framework that represents a shift from the traditional view of CSR as a separate set of activities or philanthropy towards a more integrated and strategic approach. It emphasises the need for advocating for the integration of societal considerations into the core business strategy. By aligning business success with societal progress, Shared Value seeks to create a positive and mutually beneficial relationship between companies and the communities in which they operate.

Legal and Regulatory Landscape

The evolution of CSR is reflected in the changing regulatory landscape. Governments and international bodies are increasingly recognising the need to regulate corporate conduct to align with broader societal goals. From carbon emissions to human rights, regulations are emerging to hold businesses accountable for their global impact. Compliance with these regulations is not only a legal requirement but a moral imperative for corporations operating in a globalised context.

In Nepal, the enactment of Industrial Enterprise Act 2016 (IEA, 2016) ushered in a formal legal and public policy regime to promote essential CSR practices. The law adopted a compulsory CSR regime in contrast to voluntary compliance being practised in many parts of the world; and it fuelled public debates ([Sthapit, 2021](#)), as several

analysts argued that Nepal's policy shift to make CSR activities mandatory rather than voluntary largely came as hasty replication of the neighbouring Indian legislation without learning anything from India's implementation ([Manandhar, 2017 Dec 13](#)).

Meanwhile, Nepal Rastra Bank, the central bank of Nepal, issued the directive to the banks and financial institutions (BFIs) to allocate at least one per cent (1%) of their net profit and deposit the same in a separate CSR fund from fiscal year 2016/17.

University syllabi

The new imperatives on CSR –including legal provisions– have increased the requirements of companies towards the education and taking business graduates with the requisite skills and competences; it has drawn attention of both industry and business schools towards CSR. These changes have evoked the discourse and initiatives on embracing CSR courses in university syllabi in the recent years across the world and Nepal is also no exception to it ([Sthapit, 2021 July](#); [Sthapit, 2014 August 22](#); [Sthapit, 2017 June](#); [Sthapit 2017 November](#)). These imperatives go a long way in promoting 'sustainable synergy' between industry and academia, so important in contemporary global business world.

Challenges in Implementing Global CSR

The analysis of the nexus between CSR and the globalised business environment conveys the message to modern day managers 'to navigate challenges and embrace opportunities.' Implementing CSR in a globalised business environment is not without its challenges. Cultural differences, varying legal frameworks, and diverse stakeholder expectations pose hurdles for companies aiming to establish a unified and effective CSR strategy. Striking a balance between global consistency and local relevance requires a nuanced approach that considers the unique social and cultural contexts of different regions.

In addressing global challenges, firms must embrace innovation and collaboration as core tenets of their CSR approach. Harnessing technological advancements, such as blockchain for supply chain transparency or artificial intelligence (AI) for sustainable practices, can propel businesses towards more responsible and efficient operations. Collaborative efforts between businesses, governments, and non-governmental organisations are essential for achieving meaningful and lasting impact.

Conclusion

As the world becomes increasingly interconnected and so do businesses, the significance of CSR cannot be overstated. Embracing CSR in a globalised business environment is not only an ethical choice but a strategic necessity. The intersection of economic, social, and environmental considerations demands a holistic approach to corporate responsibility. In this era of unprecedented challenges and opportunities, businesses should navigate the nexus of CSR to ensure a sustainable and inclusive future for all.

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