

CSR as an Effort to Create Shared Value with Business Partners

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ABSTRACT

As companies' processes and methods of conducting business evolve, there will undoubtedly be a paradigm shift regarding the essential components a company must implement. In the global marketplace, simply creating a competitive advantage in products is no longer enough. The interdependent relationship between business and social well-being is the foundation of CSV thinking, with the goal of enabling companies to manage their business not only for the benefit of shareholders but also for the social well-being of the community. This research was conducted using the Systematic Literature Review (SLR) following the PRISMA protocol to facilitate researchers in systematically and structuredly compiling, filtering, and synthesizing literature findings. Based on the related search results, eight articles were identified that discussed the research topic and met the previously established criteria. Strategic partnerships supported by CSR activities have a strong contribution to creating shared value that not only benefits the company but also benefits business partners, who will experience the positive impact of the company's business activities.

INTRODUCTION

As companies' processes and methods of conducting business evolve, there will undoubtedly be a paradigm shift regarding the critical components a company must implement. In the global marketplace, simply creating a competitive advantage in products is no longer enough. With growing social awareness among consumers and the public, companies are required to meet these expectations and conduct business that is not solely profit-oriented but also focused on the well-being of the environment and society. Corporate awareness of its commitment to social responsibility towards its environment and society is crucial, as it can impact the company in the long term (Althaf Naufal Ghazi Ernandi, 2023). Corporate governance is required to consider the welfare of stakeholders such as employees, consumers, the community, and even the environment. In this way, companies are expected to strike a balance between the interests of various parties while maintaining optimal company performance for the benefit of shareholders as well.

However, in practice, CSR is often implemented suboptimally and appears to be merely a public relations exercise. Corporate initiatives in CSR are still very minimal, as evidenced by the fact that CSR is often separated from the company's core business strategy. However, despite this, CSR actually provides numerous environmental and social benefits when implemented optimally. Research conducted by Sumiyati et al. (2023) found that optimal CSR can help create good social and environmental development and also have a positive impact on both aspects. In implementing CSR programs, the concept of *Creating Share Value* (CSV) is often used as a benchmark in program implementation. The CSV concept, as a benchmark for CSR implementation, requires companies to create an integrated economic value chain to address external pressures. These pressures encompass social, economic, and environmental impacts, which, as previously explained, are a corporate social responsibility. CSV activities can assist companies in improving the standard of living in the community by encouraging active and productive communities to create shared benefits (Rijkie et al., 2022).

In the effort to create shared value, business partners are an essential and inseparable component. Business partnerships play a crucial role in creating shared value based on the principles of CSV, resulting in substantial and sustainable value for all parties. Compliance with regulations by promoting CSV as a corporate culture can be a distinctive feature that can enhance a positive public image and gain the trust of business partners (Hutomi, 2023). Business partners can encompass a wide range of stakeholders and not solely focus on other companies. In this collaborative approach, companies must be able to involve, among other things, the local community, not merely as beneficiaries but also as active business partners in the program. Thus, in its output, companies can form communities that contribute to the simultaneous creation of economic and social value. Therefore, it is important to select CSR programs that align with the core business strategy and the concept of sustainable shared value creation (Manan, 2021). Based on the background described above, this study will discuss

CSR as a strategic way to form and strengthen relationships with business partners to achieve sustainable shared value.

THEORETICAL REVIEW

The CSR paradigm is based on the idea that companies have moral and social responsibilities to follow ethical standards, protect the environment, and support the well-being of society. CSR guides companies to do what is right, even if it does not always bring financial benefits. Meanwhile, ESG (Environmental, Social, and Governance) is an approach that focuses on managing risks. It shows how a company's social and environmental performance can support long-term economic sustainability and increase value for shareholders. Therefore, both CSR and ESG are important, but they have different focuses. CSR may include donation programs that improve a company's social reputation, while ESG focuses more on managing risks and improving financial value through good governance, such as reducing carbon emissions in company operations.

Corporate Social Responsibility (CSR)

In implementing corporate governance in this modern era, society often demands that companies not only focus on profit but also on ethics and morals in their business governance. Ethics in business are actually not much different from ethics in society. Ethics are generally defined as moral guidelines between right and wrong in social interactions, while business ethics concerns various rules, both written and unwritten, regarding appropriate actions when conducting business (Leonita Siwiyanti, 2024). Business ethics serve as guidelines for businesspeople to carry out their work responsibly without violating the rights of others. Morally responsible entrepreneurs must be aware of the importance of using ethical judgment in formulating policies so that the work they do and produce can provide sustainable benefits to the surrounding environment and not only focus on the company's own profits. By using business ethics as a basis for professional ethical guidelines, entrepreneurs can develop this knowledge to create a business environment free from the risk of abuse of authority. Because the scope of a company involves many parties, it is crucial to handle authority carefully to avoid violating the rights of others. In this way, companies can maintain their social value in the eyes of the community by ensuring reliable relationships with parties involved in the company's business activities.

Furthermore, in practice, business ethics is a set of applicable laws that can differentiate one company from another because ethics that are applied well can build a successful business. CSR or *Corporate Social Responsibility* CSR is a perspective that focuses on companies considering the impact of their business activities on society and the environment. CSR is defined as a company's social obligation to protect and improve the welfare of its stakeholders through collaborative efforts with the community and to be responsible for creating shared prosperity (Lubis, 2021). CSR is defined as responsible behavior in the business activities carried out by a company. This practice has become common in the business world and across various types of industries as a form of business

concern for the community with the aim of the company being well-received socially by the community surrounding the company's environment. Over time, CSR can now be used as a competitive advantage for companies because with moral values built on ethical behavior, the company's image in the eyes of the public and consumers will produce a good image because consumers and the community will feel they receive positive benefits from the business activities carried out by the company. This also has a positive impact on the company's eligibility in gaining brand trust and increasing the likelihood of consumers remaining loyal to the company.

Co-creation of value or CSV

Corporate Shared Value (CSV) is a development of previous CSR theories and concepts. CSR exists due to societal demands for clean and responsible corporate governance. From this, the CSV concept was born, evolving from the CSR objectives first introduced by Michael Porter and Mark Kramer in 2006 (DR. H. SURIPTO, S.E., M.AK., 2022). The CSV concept views companies as being able to compete healthily with their competitors by improving the economic and social conditions of the community.

The interdependent relationship between business and the social welfare of society is the foundation of CSV thinking. The goal is for companies to implement governance that not only benefits shareholders but also considers the social welfare of the community. This is also expected to serve as a boundary for corporate actions, preventing them from willingly sacrificing the social welfare of their partners for personal gain. Creating shared value for society has a deeper meaning when compared to CSR which is an activity of moral responsibility, CSV focuses more on the integration of business strategies with the social needs of partners. So in addition to carrying out business activities that maximize financial profits for shareholders, the company will also make a real contribution to social conditions such as the environment, thereby creating a mutually beneficial relationship between business interests and the social interests of society. To achieve maximum shared value creation, the gap between company interests and community needs must be truly considered. By implementing this method, business opportunities that generate innovation are also highly likely to be achieved and strengthen the concept of sustainable business. By implementing the CSV concept, companies can also become agents of strategic social change that can guide companies to provide positive impacts on the community environment, gain trust, and strengthen reputation or brand image in the eyes of consumers in a sustainable manner.

Strategic Partnership

Partnership is a cooperative action based on the concept of mutual need, strengthening, and benefit (Suhartono et al., 2025). Partnerships can occur between both large and small businesses. In business, partnership is seen as an equal relationship between two or more parties to achieve a common, agreed-upon goal. Forming alliances is a common topic in corporate strategies aimed at accelerating growth quickly. This alliance between two or more parties forms a cooperative bond that targets increased capacity to achieve specific goals with

optimal results. All previously formulated goals by each company will be achieved by forming strategic partnerships with similar targets. This development will provide a picture of the most potential partners to collaborate with, allowing for mutual assistance without facing unnecessary competitive risks. Knowledge acquisition is also crucial before a company decides to form a partnership, as each partner has its own unique model that defines the desired collaborative process. By selecting the right model, a company can achieve these goals by complementing each other, strengthening and expanding its market reach and capacity. Successful strategic partnerships can also help companies make optimal business decisions, as partnerships play a crucial role in driving the company's adaptation to the constantly changing dynamics of a technology-based market.

A strategic partnership is a formal relationship between two or more groups that fulfills specific business objectives that each organization needs independently. A strategic alliance is a form of mutual symbiosis within a business network to gain specific market access, reduce financial risk, and achieve competitive advantage. Partnerships are formed by sharing costs, risks, and benefits within a group. Strategic partnerships can encompass MSMEs, large corporations, and even supply chains to increase competitiveness and create sustainable businesses (Agustina, 2025).

METHODOLOGY

This research was conducted using the method *Systematic Literature Review* (SLR) following the PRISMA protocol makes it easier for researchers to systematically and structuredly compile, filter, and synthesize literature findings (Rachmawati, 2024). The SLR stages help researchers conduct systematic searches and analyses related to the topics to be discussed in the research, which are expected to contribute to the development of science through literature reviews.

The literature sources used in this study are secondary data obtained through journal databases such as Proquest and Google Scholar. The articles used span the period from 2020 to 2025 to maintain the quality of the research and maintain its relevance to current scientific developments. The data collection stage was carried out by selecting keywords such as Corporate Social Responsibility, Shared Value Creation (CSV), and Strategic Partnerships. The collected articles, both in Indonesian and English, were entered into the Mendeley application and then subjected to a selection process based on the established inclusion criteria.

Based on the related search results, it is known that there are 8 articles that discuss the topic being researched and meet the previously established criteria.

RESULTS AND DISCUSSION

CSR activities are essentially a company's commitment to social responsibility activities that contribute to sustainable development by considering three important aspects of its business activities: economic, social, and environmental. Although initially considered a philanthropic moral

obligation, CSR has now evolved into a business strategy that creates shared value between companies and stakeholders. CSR has a more powerful effect than imagined, with CSR activities companies can protect the company's value in the public eye (Charles et al., 2020). In its application, the concept of CSR is not only limited to mandatory regulations that are a burden for companies but is also a tool that can maintain and enhance the company's social value in society (Boubakri et al., 2021). The effectiveness of CSR implementation on social and environmental issues has been proven to have a strong positive effect on companies. Increasing CSR performance over time can reduce public concerns about the potential negative impacts of a company's business activities (Derchi et al., 2021). Focusing on responsible corporate governance to achieve environmental and social sustainability, this can provide companies with the opportunity to increase their company value together with business partners who collaborate in their business activities (Indriastuti & Chariri, 2021).

The concept of shared value creation introduced by Porter and Kramer (2011) serves as a primary reference in discussing the importance of shared value creation objectives, which is a development of the CSR paradigm. In this concept, CSR is no longer considered an additional activity that becomes a burden for the company but is also focused on long-term investment in increasing competitiveness and competitive advantage in the business world because in addition to providing social benefits to the community and business partners, the company also gains benefits such as a positive image that allows the company to maintain customer loyalty and reduce negative criticism about corporate governance. Shared value creation innovation or CSV implemented in the company's strategy has an impact on the value chain by providing added value that is not economic but more on the social aspect (Hutomi, 2023). A key step in implementing a shared value creation (CSV) strategy is paying attention to an efficient and inclusive value chain with business partners to create a sustainable business community (Religia & Mardiana, 2023). In this way, companies can directly contribute to building a sustainable social environment and help resolve social issues that burden society. The CSV concept is used as an approach that helps guide companies to create economic benefits while simultaneously providing positive social impacts on the environment and society. The CSV integrity foundation can help companies adhere to moral standards, which are the basic principles of business governance. The implementation of CSV cannot be done alone; it also requires support from various parties, from internal company management to community representatives who represent the social values of the community around the company. In this context, companies are expected to serve all stakeholders, from employees who are part of the company's internal to consumers and the community who are part of the company's external, which in any case are affected by the company's business activities.

In building strategic business partnerships, companies need to prioritize goal alignment with business partners to achieve sustainable development. Partnership strategies are effective for achieving competitive advantage due to their key benefits, including market access (Meilin Lusiana Kurniawan et al., 2023). Using partnerships to enhance company capacity and resources is a valuable step

that can significantly impact company revenue. Revenue increases can be achieved through increased sales or reduced manufacturing costs, as partnerships offer companies a profitable risk-sharing and resource-sharing solution. The involvement of business partners in a company's business activities strongly influences social legitimacy, driven by the concepts of CSV and CSR, which protect the social value of the company and its business partners in achieving long-term sustainability (Hasibuan et al., 2024). In addressing existing social issues, partnerships are a crucial component that deserves attention. By combining business principles with social practices, companies can simultaneously maintain economic sustainability, both financially and socially. Good collaboration between partners and the company can provide competitive capabilities that can help the company compete in increasingly tight market dynamics. Forming strategic partnerships can also provide a sense of security for the company because it can share risk values with partners, allowing the company to focus on market development and not be fixated on risks that might hinder the company's business activities. Effective innovation will slowly grow and develop with the implementation of strategic partnerships because in achieving the success of sustainable development goals, companies will greatly require support that is not only in the form of material but also social image that can increase positive public and consumer perceptions of the company. This growth will continuously have a positive impact on the economy of the partners involved and create a healthy environment that is mutually constructive and productive.

In simple terms, the relationship between CSR, ESG, and Accountability can be understood as an evolution of the basic concept of a company's moral responsibility. Based on Hutomi's (2023) study, it is evident that the development of CSR represents an innovation related to the value chain, which later evolves into the creation of shared value. CSR, which initially had a normative character, is adopted by companies and transformed into a strategic concept that prioritizes mutual benefits with business partners. Although the article focuses on efforts to create CSV, its connection to ESG as a governance framework serves as the structure that binds CSV together. Thus, the effort to create shared value uses CSR as the ethical foundation, is supported by practical frameworks based on ESG principles, and is accompanied by the application of Accountability through reporting mechanisms and legitimacy processes.

CONCLUSIONS AND RECOMMENDATIONS

Based on the collected literature, it is known that CSR is a social responsibility that must be carried out by companies as an effort to balance business activities oriented towards the economy, society and the environment for the sake of creating a sustainable business. Although initially CSR was seen as an additional burden for companies, over time, CSR is now voluntarily adapted by companies to increase their competitive advantage. The creation of shared value or CSV is a new step in the development of CSR carried out by companies to create a sustainable value chain with business partners. Strategic partnerships supported by CSR activities have a strong contribution in creating shared value that not only

provides benefits to the company but also business partners will feel the positive impact of the company's business activities.

FURTHER STUDY

For future research, it is recommended to further explore the relationship between CSR and the creation of shared value (CSV) across various business industries as a comparative basis for research data. This study provides new insights into the role of CSR in building shared value with business partners or within the supply chain.

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