



Optimizing Corporate Social Responsibility for Enhanced Economic Resilience: An Accounting Perspective

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Environmental CSR plays an urgent role in supporting the economic resilience of coastal communities, where livelihoods are deeply intertwined with natural resources. However, the full potential of CSR in these regions has not yet been optimised due to challenges in both environmental management and financial transparency. Coastal communities remain vulnerable to economic fluctuations, making it essential to understand how CSR initiatives can enhance long-term stability. This paper examines the theoretical model of Environmental CSR and financial transparency, exploring how these factors can strengthen the economic resilience of coastal communities. By integrating environmental conservation efforts with transparent financial reporting, CSR can empower communities to manage their resources sustainably and reduce dependency on external forces. This study is one of the few addressing CSR's role in coastal regions, particularly in the context of environmental sustainability and financial management. The findings are expected to provide valuable insights for both academic research and practical policy-making, offering a framework for enhancing CSR effectiveness in vulnerable areas. Ultimately, this research aims to contribute to sustainable economic development and community resilience, with a specific focus on coastal regions.

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INTRODUCTION

In recent years, Corporate Social Responsibility (CSR) has become a prominent focus as businesses increasingly recognise the social, environmental, and economic impacts of their operations. Within the framework of a challenging global economy, optimising CSR initiatives can play a pivotal role in strengthening the economic resilience of communities, particularly in coastal regions (Su-lan et al., 2020). The global economic

slowdown, highlighted by shifts in consumption patterns according to the Mandiri Spending Index, has significantly affected the welfare of coastal communities reliant on the maritime industry. Declining demand for secondary and tertiary goods has placed further pressure on these economies, necessitating strategic interventions to mitigate the economic fallout. CSR offers businesses a strategic tool to support sustainable development and improve local economic conditions (Wang et al., 2020).

Despite its potential, a common obstacle to the success of CSR initiatives is the suboptimal engagement of stakeholders in their development and implementation. This limitation hinders the full impact that CSR programmes can achieve, particularly in creating sustainable value. Thus, this study aims to propose a model that enables businesses to implement CSR optimally, with a focus on empowering women and enhancing social participation within maritime environments (Kitada & Bhirugnath-Bhookhun, 2019).

The accounting discipline provides a foundation for designing an integrated CSR model that aligns with business activities to ensure the long-term sustainability of such initiatives (Said et al., 2022). Optimising CSR has also been shown to contribute to organisational resilience, enabling businesses with stronger social responsibility practices to recover more effectively from global economic crises. The process of assuming social responsibility helps organisations tackle developmental challenges and enhance their resilience to economic uncertainties (Chen, Nie, and Zhao, 2023).

CSR is widely acknowledged as a voluntary action taken by businesses to address the social, environmental, and economic consequences of their operations (Ásványi & Zsóka, 2021). It has increasingly been recognised as a crucial driver of sustainable growth and economic development, enabling businesses to strategically address complex social and environmental issues (Bhale & Bhāle, 2017). Numerous studies have underscored the importance of CSR in promoting sustainable development and enhancing community welfare (August, 2018; Bhale & Bhāle, 2017; Kaur & Singh, 2020). By fostering collaborative efforts between businesses and communities, CSR is positioned to create shared value that benefits both parties over the long term (Kaur & Singh, 2020).

This study seeks to contribute to the development of a more integrated CSR model, specifically in coastal areas that are highly vulnerable to the negative impacts of global economic shifts. Through a participatory approach and a focus on strengthening local economies, CSR has the potential to serve as a strategic tool for building long-term economic resilience in maritime communities.

LITERATURE REVIEW

Customer Social Responsibility and Coastal Economic Resilience

Corporate Social Responsibility (CSR) has widely been acknowledged as a key strategy to assist companies in fulfilling their social obligations towards the community and the environment. Several studies highlight the significant potential of CSR to improve the social and economic conditions of local communities, particularly in vulnerable areas such as coastal regions (Bhale & Bhāle, 2017). CSR is not merely a tool for enhancing corporate image but serves as a vital instrument for creating sustainable social value. Ásványi & Zsóka (2021) argue that the integration of CSR into a company's core business strategy can yield substantial impacts on the well-being of communities. However, a more focused and strategic approach to CSR is necessary to ensure its effectiveness in addressing local economic challenges.

In Indonesia, the optimisation of CSR initiatives is considered essential, especially in the maritime context, where coastal regions are highly susceptible to global economic fluctuations. According to Wang et al. (2020), coastal communities frequently encounter complex economic problems due to their reliance on maritime sectors such as fisheries and tourism. These challenges can be mitigated through CSR programmes that empower coastal communities and strengthen local economic resilience. Empirical evidence suggests that CSR contributes to skill development, provision of micro-capital, and more effective management of marine resources, ultimately reducing dependency on middlemen and enhancing the economic value of fishery products (Su-lan et al., 2020).

Accounting perspectives play an equally important role in measuring the effectiveness of CSR implementation. Setyawan et al. (2014) emphasise the need for integrating CSR with accounting practices to ensure that programmes can be monitored, evaluated, and reported transparently and accountably. Through robust CSR financial audits and reporting, companies can more effectively assess the costs and benefits of their initiatives. This enables businesses to evaluate the impact of CSR on the well-being of coastal communities, ensuring that the programmes contribute meaningfully to improving economic and social resilience. Properly structured CSR initiatives, therefore, do not only serve the company's social agenda but also offer strategic economic benefits that enhance the long-term sustainability of both the company and the community.

Moreover, CSR initiatives aimed at coastal regions can significantly influence the local economy by promoting sustainable business practices, fostering entrepreneurial capabilities, and encouraging local participation in economic activities (Bonnemeier, Burianek and Reichwald, 2010). For example, CSR programmes that provide training in resource management and financial literacy have been shown to enhance the business capabilities of coastal SMEs, enabling them to adapt to market changes and increase profitability (Ambrosini & Bowman, 2009). These programmes also cultivate a sense of ownership among local communities, motivating them to take a more active role in their economic development and, thus, strengthening the overall resilience of the coastal economy.

The inclusion of participatory approaches in CSR design, particularly focusing on empowering women and other marginalised groups in coastal areas, further amplifies the impact of these initiatives (Kitada & Bhirugnath-Bhookhun, 2019). In line with contemporary global CSR trends, businesses operating in coastal regions must consider not only their immediate financial objectives but also their broader societal contributions. By integrating CSR with sustainable business strategies, companies can help foster economic resilience that withstands external shocks, ultimately supporting long-term regional development.

METHODS

The aim of this study is to explore how Customer Social Responsibility (CSR) initiatives can enhance economic resilience in coastal regions by empowering local communities and promoting sustainable business practices. Specifically, the study focuses on identifying the key factors that enable CSR to drive local economic performance and support long-term development in vulnerable coastal areas. The proposed model seeks to highlight the relationship between CSR-driven community empowerment, economic adaptability, and improved business outcomes for small enterprises in these regions.

This model serves as a foundation for further empirical research, offering a framework that integrates accounting practices with CSR initiatives to ensure transparency and measurable impact. It will also examine how participatory approaches, particularly in empowering women and marginalised groups, contribute to the success of CSR programmes in coastal communities. By providing insights into the strategic role of CSR in enhancing local economic resilience, this study aims to offer a robust model for CSR implementation that can be empirically tested in subsequent research stages.

The contribution of this research lies in its focus on the intersection of CSR and coastal economic resilience, a relatively under-explored area in both academic and practical terms. By addressing the unique challenges faced by coastal regions, the study provides a new perspective on how CSR can be optimised to not only fulfil corporate social obligations but also drive sustainable economic development in these fragile environments. This research will pave the way for developing more effective CSR strategies tailored to the needs of coastal communities, ensuring long-term positive impacts on local economies.

RESULT AND DISCUSSION

4.1 The Influence of Economic CSR on Coastal Community Resilience

Integrating CSR into business strategies in economically fragile areas helps not only fulfil corporate social responsibilities but also creates a sustainable foundation for regional development and economic stability. For that reasons, Economic CSR refers to corporate initiatives that aim to enhance the economic welfare of communities by providing capital, skills training, and business support. Carroll (1991) identifies economic responsibility as a fundamental pillar of CSR, focusing on how companies can positively impact society through local economic development. In coastal regions, where communities are highly vulnerable to economic fluctuations, economic CSR becomes an essential mechanism for strengthening their resilience and supporting sustainable growth.

4.2 The Influence of Social CSR on Coastal Community Development

By incorporating social CSR into their core strategies, companies not only fulfil their societal obligations but also foster a more harmonious and resilient local community, which benefits long-term regional development. For those reasons, Social CSR focuses on corporate contributions that enhance the social aspects of communities, such as women's empowerment, the improvement of social skills, and social inclusion. Porter & Kramer (2006) assert that companies actively supporting local social development strengthen relationships with surrounding communities, ultimately benefiting both the community and the business itself. In coastal areas, where social challenges can be pronounced, social CSR initiatives provide a vital means of addressing issues related to social inequality and exclusion.

Visser (2008) highlights the crucial role that social CSR plays in creating social capital and improving the quality of life for communities through training and empowerment programmes. By offering initiatives such as skills training and women's empowerment, companies can foster a more inclusive society, enabling marginalised groups to participate in economic activities and enhance their social standing. This is particularly relevant in coastal communities, where women often face limited opportunities, and social CSR can bridge this gap by promoting greater economic participation and financial independence.

Social CSR, therefore, holds significant potential to positively influence the social fabric of coastal communities. Programmes aimed at fostering social skills and empowering marginalised groups, such as women, contribute to economic inclusion and enhance community resilience. Proposition 2: social CSR initiatives strengthen social cohesion and improve the socio-economic outcomes of coastal communities.

4.3 The Influence of Environmental CSR and Financial Transparency on Coastal Economic Resilience

By integrating environmental stewardship and financial accountability into their CSR strategies, companies not only fulfil their corporate obligations but also contribute to the sustainable development of vulnerable coastal economies. Environmental CSR is a key component of corporate responsibility, especially for coastal regions that heavily rely on natural resources. Elkington's (1997) concept of the triple bottom line emphasises the importance of environmental responsibility as one of the pillars of sustainability. Effective environmental CSR may include ecosystem rehabilitation, conservation efforts, and educating the community on sustainable natural resource management. Such initiatives have a direct impact on the economic productivity of coastal communities, as the preservation of marine resources supports the livelihoods of the people in these areas. Bansal & Roth (2000) argue that companies contributing to environmental sustainability are better positioned to achieve long-term economic stability, as the communities involved in these programmes directly benefit from the positive outcomes.

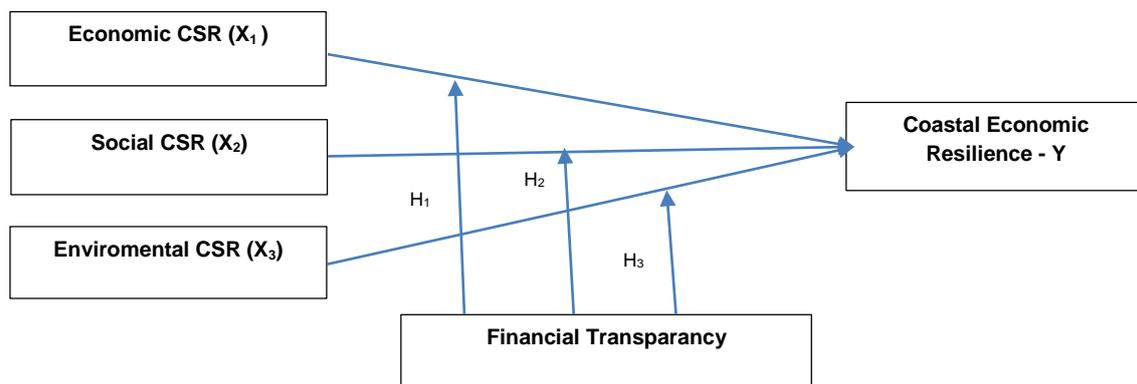
The integration of financial management and transparency within CSR programmes is equally crucial to ensure that funds allocated for CSR are used efficiently and for the intended purposes. Scapens & Jazayeri (2003) highlight that a robust accounting information system can help companies track and evaluate the impact of CSR initiatives more accurately. Transparency in CSR financial reporting enhances trust between the company, the community, and stakeholders, ensuring that the funds disbursed provide optimal benefits. Wood (2010) further argues that CSR audits are an essential mechanism to ensure that CSR initiatives are implemented as planned and deliver the desired impacts. For coastal communities, financial accountability and management are key to maximising the positive effects of CSR on economic resilience.

Consequently, environmental CSR, coupled with proper financial management, plays a significant role in enhancing the long-term sustainability of both the business and the coastal communities. Proposition 3: environmental CSR initiatives strengthen coastal communities' economic resilience by preserving critical natural resources. Proposition 4: financial transparency and management in CSR initiatives are key factors that maximise the economic impact of CSR on coastal communities.

5. The Theoretical Model

The concept of this theoretical study explores the influence of Environmental CSR and financial transparency on the economic resilience of coastal communities. This model examines how Environmental CSR initiatives contribute to preserving natural resources, while financial transparency in CSR ensures efficient and impactful use of funds. These factors, in turn, enhance the economic stability and resilience of coastal communities. The relationships between these elements and their effects on coastal economic resilience are illustrated in the following figure.

Figure 1. Theoretical Model



CONCLUSION

The concept of this theoretical model will be empirically tested through practical applications within coastal communities. It is anticipated that the model can provide a framework for government initiatives aimed at promoting sustainable economic development in vulnerable coastal regions. The outcomes of this study are expected to inform policies on corporate engagement in environmental sustainability and financial transparency, both of which are essential for enhancing economic resilience in these areas.

Academically, this model can be applied and tested in other developing countries where coastal economies face similar challenges. It offers a framework for understanding how CSR initiatives, when aligned with environmental conservation and financial accountability, can contribute to long-term community development. Moreover, this research aims to stimulate the transfer of knowledge between academic studies and corporate practices, fostering a deeper understanding of how CSR can be utilised to support sustainable economic growth in coastal regions. Ultimately, the study seeks to enhance the role of Environmental CSR in preserving natural resources and supporting local economies, particularly in areas where livelihoods are heavily dependent on marine and coastal resources.

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