Exploring the Relationship Between Corporate Social Responsibility and Corporate Sustainability within the Food and Beverage Industry

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Abstract. The objective of this paper is to examine the relationship between corporate social responsibility and corporate sustainability. Moreover, the paper examines how dimensions correlate with corporate sustainability. This research uses quantitative research methods. The data analysis technique used is simple linier regression with the help of SPSS 29. Based on the results of the research conducted, there is a relathionship between corporate social responbility and corporate sustainability. The result of this study support the result of previous studies that by using a corporate social responbility approach, companies will not only get economic benefits, but will also get social benefits. Thus the sustainability of the companies can take place well. It is concluded that companies with corporate social responsibility approach, the company not only gains economic benefits but gains social benefits. Business continuity can last well over a long period of time. This research has benefits so that business owners in various industries continue to carry out environment responsibility for business sustainability. In addition, the study also finds a positive relationship between corporate social responsibility and corporate sustainability. The analysis of the paper is based on survey responses from 44 stakeholders (i.e., shareholders, employees, and customers) within the food and beverage industry.

1. Introduction

Corporate sustainability has become the center of attention for every stakeholder of the community, including shareholders, employees and consumers. To achieve sustainability, companies must actively maintain and grow economic, social, environmental and political circulation. The highest performance of corporate sustainability performed by the company is to provide substantial submerits for social and environmental improvement. However, the lowest corporate sustainability performance is: 1) compliance with using low-polluting raw materials, 2) compliance of producing low-polluting products, dan 3) setting social and environmental standards in the supply chain [1]. The food and beverage industry also implements sustainable business practices in the form of economic circulation through waste management is a crucial agenda. After conducting economic circulation through waste management, based on sustainable practice reports received by Otoritas Jasa Keuangan, eighteen food and beverage companies able to attract investment of 21.3 trillion until Q2 of 2022 [2].

For some companies, it is not enough just to make a profit financially but rather it takes more effort to build a good reputation through sustainable business practices. Corporate social responsibility is a reflection of the business' moral commitment to providing meaningful social activities, intensifying the ethical climate and ensuring long-lasting corporate sustainability [3]. Seen from several global

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The 6th International Conference on Business, Economics, Social
Sciences, and Humanities 2023
E-ISSN: 2830-0637

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companies that have the best corporate social responbility, both companies operating in Indonesia and those not.

Table 1. Global Companies with the best Corporate Social Responsibility

Rank	Companies	Operating in Indonesia
1	TOMS Shoes	No
2	Microsoft	Yes
3	Nu Skin	Yes
4	The Walt Disney Company	No
5	Starbucks	Yes

Source: [4]

One of the companies with the lowest corporate social responsibility performance is Starbucks. Low social responsibility coporate performance has an impact on the decline in corporate sustainability performance [5]. This research is aimed at analyzing the relationship between corporate social responsibility and corporate sustainability. The results of corporate social responsibility performance are focused on environmental circulation based on the perspectives of shareholders, employees and customers of Starbucks operating in Indonesia. Related to social responbility, Rizki Indah Fadliani in her research found that social responbility has an effect on business sustainability [14]. The implementation of the concept of corporate social responbility affects corporate sustainability, because there is an emphasis on business strategies to always develop products and the whole company the reduce negative impacts on the environment, society and the economy due to company decisions and operational activities. This study aims to explain whether there is a relathionship between corporate social responbility and corporate sustainability. This research uses quantitative research methods. Quantitative research is an approach to test objective theory by examining the relathionshp between variables.

1.1 Corporate Social Responsibility
Corporate social responsibility disclosure in the annual reports has a positive effect on reputational business value [6]. The main purpose of the company is profit, while these activities are in the form of activities that incur costs that are considered not to create profits but to build an image and improve and maintain good relations whose benefits will have a positive impact on the company's existence in society and its environment whose form and nature of benefit is non-material . The company's commitment to operate in an economically, socially, and environmentally sustainable manner while balancing the interests of various stakeholders. Corporate Social Responsbility can be said to be a continuous commitment from the business community, to behave ethically and contribute to economic development, while improving the quality of life of employees and their families, as well as the local community and the wider community in general in interaction with stakeholders based on the principle of volunteerism and partnership.

Corporate Social Responsbility is an ongoing commitment of a company that runs ethically and contributes to development to improve the quality of life of the workforce and their families as well as the local community and the wider community. The emergence of Corporate Social Responsibility originated from concern for the environment which raised public awareness of the environmental business footprint. The company adopts a mental environment approach that has gradually evolved into a broader concept. Corporate Social Responsbility integrates social and environmental concerns for business operations and in their interactions with stakeholders on a voluntary basis. Low social responsibility coporate performance has an impact on the decline in corporate sustainability performance [5]. Therefore, we propose the following hypothesis:

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The 6th International Conference on Business, Economics, Social
Sciences, and Humanities 2023
E-ISSN: 2830-0637

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H$_0$: There is not positive relationship between the level of corporate sustainability as well as corporate social responsibility.

H$_a$: There is positive relationship between the level of corporate sustainability as well as corporate social responsibility.

Application of environmental corporate social responsibility practices initiatives in any of the following: 1) low-polluting materials, 2) low-polluting products, and 3) environmental supply chain setting [7]. From an environmental perspective, particularly important for a large part of food and beverage industry that seem to lag in corporate social responsibility output.

1.2 Corporate Sustainability

Applying corporate sustainability to companies is complex because corporate sustainability is a level-spanning [8]. Corporate sustainability refers to a firm's orientation toward sustainable development (it is based on three pillars: economic, ecological, and social) [9]. In this manner, corporate sustainability can be an effective means of building stakeholder confidence and counteracting the potential reputational shortcomings associated with the abrupt processes of environmental corporate social responsibility. A truly sustainable corporate is expected to be able to address the economic, environmental, and social requirements simultaneously, a highly complex situation that is full of tension. This explains the commonly acknowledged three dimensions of corporate sustainability: 1) environmental integrity, 2) economic prosperity, and 3) social equity [10].

2. Methods

This article is causal research at 95% of confidence interval. This design allows the researcher to collect the data and construct the data structure to perceive the cause-and-effect on the research variables [11]. The causal research aims: 1) to understand exogenous and endogenous variables towards marketing phenomena, 2) to decide the nature of the relationship among the variables, and 3) to test the hypothesis of causal relationship variable. Basically coporate social responbility is an effort carried out by companies as a form of corporate responbility to empower and improve their social environment. After knowing the theory, the framework of this research is obtained.
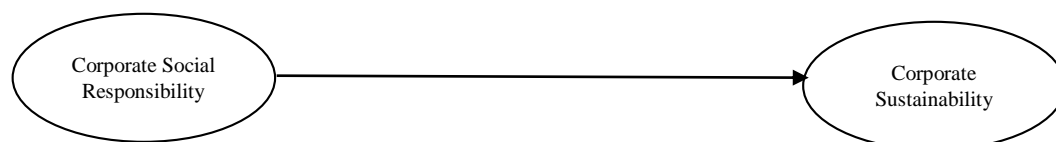
Figure 1. Relationship between corporate sustainability and corporate social responsibility
Source: [5]

To collect the data, this causal research design utilized survey as a method to collect the data from a sample through questionnaires comprising structured questions [11]. Questionnaires as the data collection was carried out by giving a series of questions or written statements to the respondents to be answered. Questionnaires as instruments used are distributed to respondents via email.

The target population was the stakeholders (i.e., shareholders, employees, and customers) of Starbucks Indonesia as lowest corporate social responsibility [4]. Furthermore, the ideal limit of the population according to the provisions of the number of stakeholders who have been more than five years. Sampling was conducted randomly, thereby everyone had the same probability of being selected from the population and representing it. Basic formula of the sample refers to the number of the independent variables, namely N ≥ 50 + 8i (i is the number of independent variables) [12]. Therefore, the sample of this study was 58 respondents: 50 + 8 (1). However, this number is still in the appropriate sample size range from 30 to 500 [13]. Therefore, the sample of this study was 44 shareholders, employees, and customers.

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The 6th International Conference on Business, Economics, Social
Sciences, and Humanities 2023
E-ISSN: 2830-0637

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The data analysis technique in this quantitative study utilized statistical analysis. Verifiable data analysis will be used to test hypotheses and focus on the disclosure of the behaviour of research variables. The data analysis technique used to determine the corelative relationship in this study is Partial Least Square to provide a combination of three main goals, namely: 1) to estimating path analysis using latent contracting with multiple indicators, 2) does not assume a specific distribution so that it can be used for Likert scales with a small sample count of less than100, and 3) to confirm or predict an applied, middle, or grand theory. The program used to perform data analysis with path analysis method was SPSS.

The measurement scale used was interval as a scale that allows researchers to perform arithmetic calculations on data collected from respondents [11]. The measurement has no real zero value. The measure of attitude that is commonly used in business research is the Likert scale. The Likert scale is a scale that requires respondents to respond to the extent to which they agree or disagree about a perceived object, namely strongly agree, agree, neutral, disagree and strongly disagree.

3. Result and Discussion

The first analysis was carried out to determine the value of the regression coefficient in each dimension of corporate social responsibility to corporate sustainability. Based on the results of data processing, it shows that dimensions of environmental integrity, economic prosperity, and social equity influenced by low-polluting materials, low-polluting products, and environmental supply chain setting. Seen from the table below, the regression coefficient value of corporate social responbility for corporate sustainability shows a number above 0.5 and a sig value of 0.000 – 0.001. the sig value shows a number less than 0.05, then the value is positively related and significant.

Table 2. Regression Coefficient of Corporate Social Responsibility on Corporate Sustainability

Dimension Corporate Social Responsibility	Corporate Sustainability	Regression Coefficient	Sig	Result
Low-polluting materials	Environmental integrity	0.780	0.000	Accepted
Low-polluting products		0.801	0.000	Accepted
Environmental supply chain setting		0.717	0.000	Accepted
Low-polluting materials	Economic prosperity	0.919	0.000	Accepted
Low-polluting products		0.815	0.000	Accepted
Environmental supply chain setting		0.801	0.000	Accepted
Low-polluting materials	Social equity	0.913	0.001	Accepted
Low-polluting products		0.864	0.000	Accepted
Environmental supply chain setting		0.908	0.000	Accepted

Source: Data processing

The second analysis was carried out to determine the level of relationship between corporate social responsibility and corporate sustainability expressed with an R value of 0.593 is medium. The correlation coefficient ® shows how much the relationship exists between the independent variable (X) simultaneously with the dependent variable (Y). The value of R ranges from 0 tp 1, the closer the value is to 1, the stronger relationship, while the closer the value is to 0, the weaker relationship. Guidelines for providing interpretation of the correlation coefficient as follows:

0.0 - 0.199 = very low
0.20 - 0.399 = low
0.40 - 0.599 = miderate
0.60 - 0.799 = strong
0.80 - 1.000 = very strong

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The 6th International Conference on Business, Economics, Social
Sciences, and Humanities 2023
E-ISSN: 2830-0637

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While the R^2 of 0.352 is stated as the coefficient of determination which means that corporate sustainability is influenced by corporate social responsibility of 35.2%. seen from the table below regarding the summary of the corporate sustainability model. Seen from the table below regarding the summary of the corporate sustainability model.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.593[a]	.352	.336	2.979	.352	22.803	1	42	<,001

a. Predictors: (Constant), CorporateSocialResponbility

Figure 1. Model Summary Corporate Sustainability
Source: Data Processing

The third analysis was carried out to determine whether the three dimensions of corporate social responsibility effect corporate sustainability. In this study, there is a main hypothesis that will be tested, namely Ha: There is positive relationship between the level of corporate sustainability as well as corporate social responsibility. The signification value of 0.001 < 0.05 then Ha is accepted and can be widely applied outside the research focus. The results of this study have similarities with previous research, that good enough social responsibility coporate performance has an impact on corporate sustainability [5]. Seen from the ANOVA table below, the significance value shows a number of 0.001

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	202.333	1	202.333	22.803	<,001[b]
	Residual	372.667	42	8.873		
	Total	575.000	43			

a. Dependent Variable: BusinessSustainability

b. Predictors: (Constant), CorporateSocialResponbility

Figure 2. ANOVA
Source: Data Processing

This research is a development of applied theory. This research provides information that there is a concurrent influence of corporate social responsibility on corporate sustainability. Further research is expected to conduct similar research on different industries.

4. Conclusion

In sum, the study aims to identify the effect of CSR on corporate sustainability within food and beverage industry. Moreover, the study collected data from 44 shareholders, employees, and customers. However, the data set was analysed using SPSS as the study accepted the hypotheses in this study. Accordingly, the findings indicated a significant impact of corporate social responsibility on corporate sustainability. Lastly, low-pollution materials, low-polluting products, and environmental supply chain setting Lastly, low-pollution materials, low-polluting products, and environmental supply chain settings are critical in the long-term sustainability of the company from the point of view of shareholders, employees, and consumers.

Acknowledgement

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The 6th International Conference on Business, Economics, Social
Sciences, and Humanities 2023
E-ISSN: 2830-0637

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The 6th International Conference on Business, Economics, Social
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E-ISSN: 2830-0637

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