






Corporate Social Responsibility to Manage the Risks to the Achievement of the SDGs in the Entrepreneurial Activities

Nurgul K. Atabekova , Galina A. Dorofeeva, Anastasia A. Sozinova , and Nadezhda K. Savelyeva 

Abstract

The purpose of this research is to reveal the specific features of the influence of implementation of corporate social responsibility on the management of risks to entrepreneurship's sustainable development. This is done by the example of companies and leading countries in the sphere of the implementation of corporate social responsibility measures. Achievement of this purpose implies the use of the method of formalization and systematization and the statistical method.

The scientific novelty of this research consists in the elaboration on the characteristics of the influence of corporate social responsibility on the management of risks of the environmental, economic and social character in the context of the UN Sustainable Development Goals.

We analyse the experience of implementing the CSR measures and assess its effect on the risks to the SDGs within the entrepreneurial sector. This study allows identifying the main specific features of these measures and their connection with the sustainable development of countries. The revealed effect of the CSR measures on the studied process has shown that more substantial results require the development and use of more efficient practices and the involvement of a wider circle of the business environment in this process.

Keywords

Corporate social responsibility · Sustainable development goals · Management of risks · Entrepreneurial sector · Development of human potential · Responsible production

N. K. Atabekova (✉)
International University of Kyrgyzstan, Bishkek, Kyrgyzstan

G. A. Dorofeeva
Sebryakovskiy Branch of Volgograd State Technical University,
Mikhailovka, Russia

A. A. Sozinova · N. K. Savelyeva
Vyatka State University, Kirov, Russia
e-mail: aa_sozinova@vyatsu.ru; nk_savelyeva@vyatsu.ru

JEL Codes

M14 · Q01 · Q56 · Q25 · Q42

1 Introduction

Sustainable development is a harmonious and comprehensive process of qualitative changes in the activities of the country, regions and economic subjects, which ensures the economic well-being of businesses, labour conditions for companies' personnel and living standards of the population. Achievement of the goals of this process is ensured due to the balance of the environmental, social and economic components of development. Resolution of the problems of managing the risk to the Sustainable Development Goals is closely connected to the main directions of implementing corporate social responsibility of the entrepreneurial sector at the national level.

Given the importance of the role of business and the influence of corporate social responsibility on the achievement of the goals, the support for the ideas of such activities of entrepreneurship is initiated at the level of governments of many UN members. Also, there is a focus on the necessity to attract companies of different categories to its implementation. The realisation of the elements of corporate social responsibility predetermines the improvement of a country's position in the sphere of socio-economic and environmental development. Accordingly, the positive experience of its implementation is peculiar for countries with a high level of sustainable development and could be adapted for counties that have significant risks in the implementation of these goals.

The contribution to the increase in the results of social responsibility of business ensures the overcoming of the key risks of sustainable development of countries in the context of achieving the goals of human development management, within the goals of the economic and environmental components. The importance of the research on the effect of

this phenomenon on the management of risks to the achievement of the Sustainable Development Goals in the activities of the entrepreneurial sector of countries predetermines the importance of this study.

This work is aimed at determining the specifics of the effect of the implementation of corporate social responsibility on the management of risks to entrepreneurship's sustainable development. The tasks solved in this work are as follows: characterising the elements of implementing corporate social responsibility in the entrepreneurial sector and assessing the effect of this phenomenon on risk management in the studied sphere.

2 Materials and Methods

The influence of corporate social responsibility on the reduction of sustainable development risks in the entrepreneurial sphere has been studied in many scholarly works: Crasto et al. (2020), Fordham and Robinson (2018), Gozdan and Sudolska (2021), Jain et al. (2021), Sehgal et al. (2020), Shuwaler et al. (2020), and Sicoli et al. (2019). Nevertheless, there is a need for a comprehensive assessment of the role of corporate social responsibility in the management of the risks to the achievement of the SDGs in entrepreneurship's activities.

In this work, we use the method of formalisation to identify the character of influence based on the research of analytical and statistical materials. The method of systematisation allowed systematising the main characteristics of the influence, based on the research of scientific materials and analytical and statistical data. The statistical method was used to reveal the state of factual indicators of the achievement of the Sustainable Development Goals.

The stages of this research are as follows:

1. Identifying countries that are leaders in the sphere of implementation of the principles of corporate social responsibility at the level of the entrepreneurial sector. For this, we use the data of the world ranking of lead companies in this sphere (Aquire, 2022; WSJ, 2021);
2. Assessing the main elements of corporate social responsibility that are used in the functioning of the selected companies;
3. Identifying the effect of entrepreneurship's implementing the studied elements of corporate social responsibility on the management of risks to the SDGs within the selected companies.

The research is performed by the example of leading countries in the sphere of CSR: the USA, Sweden and Germany.

Analysis of the influence of corporate social responsibility of the entrepreneurial sector on the management of the risks to the SDGs is based on the structuring of the directions of this influence. The economic, environmental, social and philanthropic directions are distinguished. Based on the research of the scientific, analytical and statistical materials of Cambridge University Press (2022) and Fordham and Robinson (2018), it has been found that these directions are directly connected with the management of the risks to the achievement of the SDGs. At that, the philanthropic components of the influence of CSR are studied in the context of the impact on the three above categories.

3 Results

Table 1 shows countries in which entrepreneurship has leading positions in the sphere of implementing corporate social responsibility for 2020–2021 (with the systematisation of these countries according to the indicators of development of their lead companies).

The year 2021 saw a change in the configuration of the leading countries by the implementation of CSR at the level of the entrepreneurial sector (compared to 2020). Namely, Germany took the first position due to the activities of such enterprises as Adidas, Bosch and BMW; the second position was taken by the USA (nine companies); the third position—by India, due to the activities of IndiGo Reach; the fourth position—by Sweden, which ensured this result due to the functioning of IKEA. In 2020, the leading positions belonged to the USA and Ireland. The impact of the global economic crisis, aggravated by the consequences of the pandemic, did not allow Irish companies to ensure the leading positions in implementing the corporate social responsibility principles.

Let us consider the key components of corporate social responsibility, which are declared and implemented in the activities of companies that occupy the leading positions in this sphere.

Analysis of the analytical and scientific materials demonstrated that the most important features of implementing corporate social responsibility by Adidas (Germany) are the focus on eco-friendly products and ecologically responsible supply chains; development of human potential with the orientation toward the reduction of consumption of energy resources, water resources, decrease in environmental pollution and focus on the economic and social component (Crasto et al., 2020; Jain et al., 2021; Sicoli et al., 2019). The company participates in the production of clothing from recycled plastic; creation of logistical chains of materials and product supply without the use of chemical elements that threaten the environment, with the focus on production waste reduction; reduction of the environmental footprint of company employees due to

Table 1 Leading countries in which the entrepreneurial sector demonstrated high indicators of the implementation of corporate social responsibility for 2020–2021

| Country | Company | |
|---------|------------------------|---------------------|
| | 2020 | 2021 |
| Germany | | Adidas |
| | | Bosch |
| | | BMW |
| USA | Microsoft Corp. | Starbucks |
| | HP Inc. | Mark Jacobs |
| | Intel Corp. | Ben and Jerry's |
| | Texas Instruments Inc. | Apple |
| | Cisco | Coca-Cola |
| | Cummins | Alaska Airlines |
| | AT&T | Dell |
| | Xerox Corp. | Walt Disney Company |
| | | Microsoft Corp. |
| India | | IndiGo Reach |
| Sweden | | IKEA |
| Ireland | Accenture PLC | |
| | Medtronic | |

Source: Created by the authors based on Aquire (2022) and WSJ (2021)

financial bonuses for the decrease in the use of private cars and creation of labour conditions with the reduction of energy and water consumption by personnel; support for the protection of personnel rights in the sphere of labour safety and labour conditions; provision of fair wages; measures on innovative development of the main and accompanying infrastructure. The analysis has shown that the programme of economical use of water by personnel allowed reducing its consumption: in 2017—by 17%, in 2018—by 24%, in 2019—by 29% and in 2020—by 36% of the standard volume of water consumption during working hours. The company also achieved a goal of energy saving: in 2017, the decrease in energy consumption equalled 7%, in 2018—by 15%, in 2019—by 22% and in 2020—by 23%. The goals in the sphere of reduction of production waste and logistical operations waste were also achieved: in 2017, the volume of waste decreased by 10%, in 2018—by 22%, in 2019—by 30% and in 2020—by 30%. These measures allowed the company to restore after the 2020 pandemic (when the sales dropped by 24.9%), increasing the sales by 16.7% in 2021. The measures of corporate social responsibility of Adidas in the sphere of financial bonuses for personnel as a reward for the reduction of environmental footprint belong to the philanthropic and environmental categories. The growth of revenues is also an indicator of the development of the economic component of national sustainable development. At the modern stage, Adidas supports the sustainable development of Germany within the main components, which ensures the reduction of risks to the SDGs in the environmental, social and economic spheres. The effective social policy and the policy of personnel motivation ensure the protection from risks in the context of SDG (No poverty) SDG 2 (Zero hunger), SDG 3 (Good health and well-being) and SDG

8 (Decent work and economic growth). In terms of the measures in the environmental sphere, the protection from risks to SDG 6 (Clean water and sanitation) and SDG 7 (Affordable and clean energy) is ensured. Due to the focus on innovative development, the company supports the protection from risks to SDG 9 (Industry, innovation and infrastructure). Also, the company's contribution to the fight against risks to SDG 12 (Responsible production and consumption) is important.

Analysis of the activities of the German company Bosch has shown that the main elements of its corporate social responsibility are the measures to support the development of human potential: support for personnel's initiatives on professional and personal growth; support for the programmes of development of personnel of national minorities (Schwager, 2018). Despite the significant results in the implementation of the above directions, aimed at managing the risks to SDGs 1–4 and SDG 10 (Reduced inequalities), the company continues its work on new strategic directions in the environmental sphere.

Within the strategy of implementing corporate social responsibility, an American company Starbucks declares and realises the following elements: investing in its fund for the provision of clean water through sales revenues (the goal is to satisfy the need for clean water for one billion people, in the USA and around the world); providing personnel with the opportunities to raise their skills and develop professional growth in the company (grants for training, courses, etc.) (Gozdan & Sudolska, 2021). The focus on these indicators allows ensuring the protection from and management of risks to SDG 6 (Clean water and sanitation) and SDG 10 (Reduced inequalities).

Within the approach to corporate social responsibility, Microsoft Corp. (USA) implements the following aspects: measures on advanced training of personnel and stimulation for future employment in case of possible organisational and economic transformations; implementation of the eco-oriented approach on the reduction of company and personnel's energy consumption (Sehgal et al., 2020). The measures in the sphere of advanced training and the formation of personnel's readiness for possible changes are implemented in the form of various courses and training performed by the outsourced partner companies. The use of the elements of corporate social responsibility in the sphere of advanced training of personnel and support for their future employment is the aspect of managing the risks to SDG 8 (Decent work and economic growth), while implementation of the environmental measures is the aspect in managing the risks to SDG 7 (Affordable and clean energy).

IKEA (Sweden) focuses on implementing the following aspects of corporate social responsibility: the use of eco-friendly materials in production, thorough checks of contractors who participate in the logistical chains of supply and transportation (management and reduction of risks to SDG 12 (Responsible production and consumption)), provision of support, through own funds, for many families in Sweden and other countries in the context of the fight against poverty (SDG 1 (No poverty)) (Shuwaler et al., 2020).

4 Discussion

Based on the performed research and analysis of the studied materials, we have systematised the character of the influence of corporate social responsibility of entrepreneurship on managing the risks to the Sustainable Development Goals (by the example of companies of Germany, the USA and Sweden).

The research has shown that in 2021, Germany was ranked sixth in the Sustainable Development Ranking. In the implementation of corporate social responsibility in the entrepreneurship activities of Germany, the largest effect was gained from measures on support for the well-being of personnel and provision of clean energy (SDG 1 and SDG 7).

As for the influence of American business on managing the given risks, it is possible to state that the studied measures of the companies in the sphere of implementing the strategies of corporate social responsibility allow ensuring significant results in the sphere of managing the risks to SDG 6 (Clean water and sanitation), and supporting the protection from and management of the risks to SDGs 1, 3 and 8.

The research also showed that Sweden was ranked third by the Sustainable Development Ranking; the largest contribution of entrepreneurship to the measures of corporate social responsibility is connected to the protection of the population

from poverty, which ensures the fight against and management of risks to SDG 1 (No poverty).

5 Conclusion

The study of corporate social responsibility to manage the risks to the achievement of the SDGs in entrepreneurial activities has shown that certain elements of this phenomenon have a high or significant influence on the management of risks to the UN SDGs, while other elements do not facilitate the effective sustainable development. This depends on the size of a country and the number of subjects of entrepreneurship that have taken obligations in the sphere of corporate social responsibility, as well as on the use of the approaches to their implementation. This dependence is confirmed by the fact that the largest number of lead companies in the sphere of implementation of corporate social responsibility are located in the USA, while it is ranked only 41st in the Sustainable Development Ranking. The fact of achievement of indicators that are not very high is caused by the fact that the orientation toward the entrepreneurial sector's acceptance of obligations in the sphere of corporate social responsibility is observed mainly with large enterprises, while small and medium enterprises do not use this approach much. Rather high indicators of implementing the measures of the studied phenomenon and the effectiveness of its influence on sustainable development of countries (examples of Germany and Sweden) are connected to the fact that the EU countries have their concept of sustainable development and use the policy of shared responsibilities with business.

References

- Aquire, S. (2022). *14 best socially responsible companies that are making impact*. Accessed June 29, 2022, from <https://donorbox.org/nonprofit-blog/best-corporate-responsibility-companies>
- Cambridge University Press. (2022). *Sustainable development report*. Accessed May 23, 2022, from <https://dashboards.sdgindex.org/rankings>
- Crasto, S. G., Kee, D. M. H., Huan, A. T. Y., Xin, C. W., Juin, H. X., Man, L. K., & Pandey, D. (2020). Product innovation by Adidas group through sustainability. *Journal of Community Development in Asia*, 1. Accessed June 29, 2022, from <http://www.ejournal.aibpm.org/index.php/JCDA/article/view/702>
- Fordham, A. E., & Robinson, G. M. (2018). Mapping meanings of corporate social responsibility – An Australian case study. *International Journal of Corporate Social Responsibility* 3, 14. Accessed June 29, 2022, from <https://jcsr.springeropen.com/articles/10.1186/s40991-018-0036-1#citeas>
- Gozdan, E., & Sudolska, A. (2021). Exploring company's activities in the field of CSR: The case of Starbucks. *Journal of Corporate Responsibility and Leadership*, 2, 29–47.
- Jain, P., Chou, M. C., Fan, F., & Santoso, M. P. (2021). Embedding sustainability in the consumer goods innovation cycle and enabling tools to measure progress and capabilities. *Sustainability*, 13, 6662.

- Accessed June 29, 2022, from <https://www.mdpi.com/2071-1050/13/12/6662>
- Schwager, B. (2018). The Bosch Group's approach to innovation and sustainability communication: Social responsibility as competitive advantage. *Innovation Management and Corporate Social Responsibility*, 2018, 181–194.
- Sehgal, G., Kee, D. M. H., Low, A. R., Chin, Y. S., Woo, E. M. Y., Lee, P. F., & Almutairi, F. (2020). Corporate social responsibility: A case study of Microsoft Corporation. *Asia Pacific Journal of Management and Education*, 3, 1. Accessed June 29, 2022, from <https://ejournal.aibpm.org/index.php/APJME/article/view/744>
- Shuwaler, A. A., Quttainah, M. A., Kee, D. M. H., Kei, C. M., Qi, E. J., Qu, G., Wen, E. C., Saxena, M., & Pandey, R. (2020). IKEA's corporate social responsibility. *International Journal of Tourism and Hospitality in Asia Pacific*, 1, 70–77.
- Sicoli, G., Bronzetti, G., & Baldini, M. (2019). The importance of sustainability in the fashion sector: ADIDAS case study. *International Business Research*, 12(6), 41–51.
- WSJ. (2021). *Top companies for social responsibility. Microsoft heads this list from the management top 250 ranking*. Accessed June 29, 2022, from <https://www.wsj.com/articles/top-companies-for-social-responsibility-11617137132>