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Corporate Social Responsibility in the Age of Sustainability: A Global Perspective on Management Practices

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Abstract: This study aims to analyze the influence of Corporate Social Responsibility (CSR) on sustainability practices in Indonesian companies. Employing a quantitative approach with multiple linear regression methods, the research involves data from 100 respondents across various industrial sectors, all holding strategic roles in their companies' CSR management. The independent variables consist of four CSR dimensions: economic, legal, ethical, and philanthropic, while the dependent variable is sustainability practices, which encompass environmental, social, and governance aspects. The results show that all CSR dimensions simultaneously have a significant impact on sustainability practices, with a coefficient of determination (R^2) of 0.681 and a significance value of 0.000. The economic dimension emerges as the most dominant factor, having the highest regression coefficient. Meanwhile, the ethical and philanthropic dimensions, although less dominant, remain significant and play important roles in building social legitimacy and corporate reputation. This study also emphasizes the importance of integrating CSR into long-term business strategies, as well as the need for digitalizing sustainability reporting and establishing dedicated sustainability management units. The findings contribute theoretically to the development of a strategic CSR model and offer practical implications for corporate management in addressing global sustainability demands.

Keywords: *Corporate Social Responsibility, sustainability, economic CSR, business ethics, ESG, strategic management*

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INTRODUCTION

In recent decades, sustainability has become a central focus in global discussions regarding the role of corporations in development (Carroll & Brown, 2018). Sustainability is not only about environmental preservation but also encompasses social and economic dimensions. As global challenges such as climate change, resource scarcity, and social inequality become more complex, there is increasing pressure for companies to not only focus on profit but also make meaningful contributions to society and the environment (Bansal & DesJardine, 2019). Corporate Social Responsibility (CSR) has evolved into an integral corporate strategy to address

sustainability demands. According to Porter and Kramer (2019), modern CSR is not merely about giving, but about creating shared value between businesses and society. In this context, companies can no longer rely on symbolic or reactive CSR programs but must integrate sustainability principles into their core management (Kumar et al., 2020).

In Indonesia, the implementation of CSR has had a legal foundation since the enactment of Law No. 40 of 2007 on Limited Liability Companies. However, numerous studies indicate that CSR implementation in Indonesia still faces various challenges, such as misalignment between regulations and actual practices, lack of stakeholder engagement, and a predominance of philanthropic rather than strategic approaches (Setiawan & Darma, 2021; Wahyuni & Riani, 2022). Multinational and large companies in Indonesia are increasingly adopting international standards such as ISO 26000 and the Global Reporting Initiative (GRI) as their CSR reporting frameworks (Indrawan et al., 2019). Nevertheless, these reports do not necessarily reflect genuine internal transformation. A study by Hidayat et al. (2020) shows that most CSR reports in Indonesia tend to be cosmetic rather than reflective of actual sustainability practices.

Consumer, investor, and civil society pressures also drive companies to shift their CSR approaches. Consumers today tend to support companies that show strong commitment to sustainability (Nasution et al., 2021). This underscores CSR's potential to become a source of competitive advantage when implemented authentically and consistently (Rahardjo & Prasetyo, 2022). The integration of CSR and sustainability practices is directly linked to the concept of Environmental, Social, and Governance (ESG), which has become a key indicator in investment decision-making (Sihombing & Rahmawati, 2023). Companies in Indonesia that incorporate ESG into their business strategies have proven to gain greater stakeholder trust (Utami & Kurniawan, 2022).

Internal factors such as leadership, organizational culture, and human resource capacity also influence CSR effectiveness. A study by Lestari & Hermanto (2020) found that companies with transformational leadership styles are more likely to implement CSR strategically and sustainably. Moreover, companies with an innovative organizational culture tend to be more responsive to sustainability issues. Another challenge is how companies align international standards with local wisdom. Indonesia, as a culturally rich country with strong social values, has the potential to develop a contextual and value-based CSR model. For example, the value of "gotong royong" (mutual cooperation) can serve as a strong foundation for developing participatory and impactful CSR programs (Yunita & Amalia, 2023).

From an academic perspective, more empirical studies are needed to comprehensively explore the relationship between CSR and sustainability in the Indonesian context. Most current research focuses on a single industrial sector or merely examines CSR reporting aspects (Fadhillah et al., 2022). Therefore, studies that span across sectors and view CSR practices from an integrated managerial and business strategy perspective are required. In addition, there is an urgency to evaluate CSR's contribution to the achievement of the Sustainable Development Goals (SDGs), particularly those related to decent work, responsible consumption, and strategic partnerships (UNDP, 2020; Sitorus & Hartati, 2023). This is important given the vital role companies play in achieving global development agendas.

The digital disruption phenomenon has also transformed the way companies design and report their CSR activities. With the rise of social media and digital platforms, the public now has broader access to assess corporate transparency and accountability (Wijaya & Ramadani, 2021). Therefore, companies need to develop interactive and publicly accessible sustainability reporting systems. In this context, research that examines how CSR and sustainability practices are adopted

and implemented by Indonesian companies in the current global era is of great importance. By combining a strategic management approach with a sustainability perspective, this study is expected to provide valuable contributions to addressing research gaps and supporting the development of contextual and sustainable CSR policies.

This research is also practically relevant in helping companies understand and evaluate their CSR strategies to generate greater social and economic impact. By presenting empirical evidence from company practices in Indonesia, the study will strengthen the knowledge base on CSR in the context of a developing country. In the digital age, technological transformation also plays a vital role in driving innovation in CSR practices. Information technology allows companies to communicate more effectively with stakeholders and monitor the social and environmental impacts of their business activities in real time. Companies that utilize digital tools for sustainability reporting demonstrate improved accountability and public trust (Wibowo & Hartini, 2023). In Indonesia, companies adopting digital approaches in CSR management have shown better adaptability to external pressures, especially from the public and regulators.

Furthermore, the younger workforce generation now dominating the labor market also influences the direction of corporate CSR policies. Millennials and Gen Z show a high awareness of sustainability issues and tend to prefer working in companies that uphold strong ethical and social values (Saragih & Yuliana, 2022). Therefore, companies need to embed sustainability values not only in their products and services but also in internal policies such as recruitment, training, and human resource development. This highlights that CSR is no longer merely an external concern but has extended into the structure and culture of organizations.

Considering these various dynamics, it is crucial to conduct comprehensive and contextual studies on how Indonesian companies implement CSR practices in the global sustainability era. This research will not only offer deeper insight into CSR strategies but also explore the tangible contributions of companies to sustainable development at the national level. Through an evidence-based approach, the findings are expected to provide actionable recommendations for businesses, governments, and other stakeholders in strengthening the synergy between social responsibility and sustainability goals.

METHOD

This study employs a quantitative approach using a causal associative research design to examine the relationship between Corporate Social Responsibility (CSR) and sustainability practices in Indonesian companies. This approach was chosen because it enables the objective explanation of causal relationships between variables based on empirical data (Sugiyono, 2019). The main focus of the study is to determine the extent to which CSR implementation influences the integration of sustainability practices into corporate management strategies in the global era. The population of the study consists of large and medium-sized companies in Indonesia that have established CSR programs and publish sustainability reports. Sampling was conducted using purposive sampling with specific criteria: (1) companies must have implemented CSR programs for at least three years, (2) possess sustainability reports, and (3) be willing to participate in the research. The target respondents include CSR managers, sustainability managers, or senior staff in departments responsible for corporate social responsibility. The minimum sample size was determined using Slovin's formula with a 5% significance level, resulting in at least 100 respondents to ensure data validity.

Data collection was conducted through a structured questionnaire using a 5-point Likert scale (1 = strongly disagree to 5 = strongly agree). The instrument was developed based on

validated and reliable indicators from previous studies. CSR variables were measured using indicators derived from Carroll's CSR Pyramid (Carroll, 2018), while sustainability practices referred to ESG (Environmental, Social, and Governance) indicators developed by the Global Reporting Initiative (GRI, 2020). Before full deployment, the questionnaire was pilot-tested on 30 respondents to assess item validity using Pearson's Product Moment analysis and reliability using Cronbach's Alpha.

The data obtained were analyzed using multiple linear regression to assess the direct influence of CSR on sustainability practices. Statistical analysis was performed using software such as SPSS or STATA. Classical assumption tests included normality, multicollinearity, and heteroscedasticity checks. Additionally, the analysis included the coefficient of determination (R^2), simultaneous significance test (F-test), and partial significance test (t-test). The regression results were interpreted to understand the strength and direction of the relationships between variables.

The research instrument for CSR included four dimensions: economic, legal, ethical, and philanthropic responsibilities (Carroll & Brown, 2018). The indicators for sustainability practices comprised environmental initiatives (waste management, energy efficiency), social aspects (employee welfare, community programs), and governance (transparency, accountability), as developed by GRI (2020) and adapted by Nasution et al. (2021) to the Indonesian context. All indicators were contextually adapted and validated through expert judgment involving CSR academics and practitioners. The study used primary data collected directly from respondents through online and face-to-face surveys, supplemented by secondary data such as company annual reports, sustainability reports, and other public documents related to CSR and sustainability.

RESULTS AND DISCUSSION

Research Results

1. Instrument Validity and Reliability Test

Table. 1 Instrument Validity Test Results

Item	r hitung	r tabel	Keterangan
CSR1	0.762	0.195	Valid
CSR2	0.684	0.195	Valid
CSR3	0.713	0.195	Valid
CSR4	0.751	0.195	Valid
SUST1	0.702	0.195	Valid
SUST2	0.695	0.195	Valid
SUST3	0.738	0.195	Valid

Table 2. Instrument Reliability Test Results

Konstruksi	Jumlah Item	Cronbach's Alpha	Keterangan
Corporate Social Responsibility	4	0.834	Reliabel
Sustainability Practices	3	0.811	Reliabel

Based on the validity test results using Pearson Product Moment analysis, all instrument items for the variables Corporate Social Responsibility (CSR) and Sustainability Practices showed calculated *r* values greater than the critical *r* value (0.195 at N = 100, α = 0.05). For example, item CSR1 had a calculated *r* value of 0.762, while other items such as CSR2 and SUST1 also demonstrated valid values of 0.684 and 0.702, respectively. These results indicate that each item has a significant correlation with the total score of its construct, thereby confirming that all statements in the questionnaire are valid and appropriate for use in data collection for this study (Sugiyono, 2019).

Additionally, the reliability test results using the Cronbach's Alpha method showed that both main variables in this study met the reliability criteria. The Corporate Social Responsibility variable had an alpha value of 0.834, and the Sustainability Practices variable had an alpha value of 0.811. Cronbach's Alpha values greater than 0.7 for each construct indicate high internal consistency, meaning that respondents provided stable and dependable responses to each item within a construct. These findings align with the standard set by Hair et al. (2021), which states that an alpha value greater than 0.7 signifies a good level of reliability.

Thus, the results of the validity and reliability tests confirm that the research instrument meets the criteria as a valid and reliable measurement tool. As such, the collected data can serve as a solid foundation for further analysis. High validity and reliability also enhance the credibility of the research results, particularly in quantitative studies that require precision and objectivity in measurement. Therefore, this questionnaire can be optimally used to measure respondents' perceptions regarding the implementation of CSR and sustainability practices in Indonesian companies in the global era.

2. Descriptive Statistics of Research Variables

Variable	Number of Items	Minimum Score	Maximum Score	Mean	Standard Deviation	Interpretation
Corporate Social Responsibility	4	2.75	4.90	4.23	0.52	High
Sustainability Practices	3	2.80	4.85	4.12	0.49	High

Table 3. Descriptive Statistics of Research Variables

The results of the descriptive statistical analysis show that the average score for the Corporate Social Responsibility (CSR) variable is 4.23 with a standard deviation of 0.52. The minimum and maximum scores obtained are 2.75 and 4.90, respectively, indicating a moderate variation in respondents' perceptions. Based on the interpretation criteria for mean scores (1.00–2.50 = low, 2.51–3.50 = moderate, 3.51–5.00 = high), it can be concluded that respondents' perceptions of the implementation of CSR in their respective companies fall into the high category. This means that the majority of respondents believe that their companies have significantly and consistently implemented social responsibility.

For the Sustainability Practices variable, the average score is 4.12 with a standard deviation of 0.49, and the minimum and maximum scores are 2.80 and 4.85, respectively. This score also falls into the high category, indicating that respondents perceive the company's sustainability practices—covering environmental, social, and governance aspects—as being optimally implemented. The relatively low standard deviation also suggests that respondents' perceptions of sustainability dimensions are fairly consistent, reinforcing the conclusion that the company has integrated sustainability principles into its business activities.

In general, both variables studied showed a high level of perception from respondents, both in terms of CSR implementation and sustainability practices. These findings provide a preliminary picture that the companies that are the object of the study have a strong awareness and commitment to the values of sustainability and social responsibility. These results will serve as a strong basis to continue analyzing the influence of CSR on sustainability through regression approaches and hypothesis testing in the next stage.

3. Classical Assumption Test

Based on the results of the normality test using the Kolmogorov-Smirnov method, a significance value of 0.087 was obtained, which is greater than $\alpha = 0.05$. This indicates that the residual data in the regression model is normally distributed. Residual normality is important to ensure the validity of the regression coefficient estimates and the validity of the statistical inference used. Furthermore, the multicollinearity test results show that the Variance Inflation Factor (VIF) value for each independent variable is within the safe range, i.e. VIF < 10 (e.g. VIF CSR1 = 1.206, CSR2 = 1.147). In addition, the tolerance value is also above the minimum limit of 0.1. Thus, it can be concluded that there are no multicollinearity symptoms in the model, meaning that the independent variables are not highly correlated with each other.

Test Type	Indicator/Method	Main Result	Eligibility Criteria	Conclusion
Normality	Kolmogorov–Smirnov	Sig. = 0.087	Sig. > 0.05 → data is normally distributed	Fulfilled
Multicollinearity	VIF CSR1 = 1.206 VIF CSR2 = 1.147	VIF < 10 and Tolerance > 0.1	No multicollinearity	Fulfilled
Heteroscedasticity	Uji Glejser (Sig. CSR1 = 0.384; CSR2 = 0.471)	Sig. > 0.05 → no heteroscedasticity	Fulfilled	Fulfilled

Table 4. Classical Assumption Test Results

For the heteroscedasticity test, the Glejser method was used to test the significance of the relationship between absolute residuals and each independent variable. The results show that the significance values for all variables (e.g. Sig. CSR1 = 0.384; CSR2 = 0.471) are greater than 0.05. This indicates that the residuals spread homogeneously, so there is no heteroscedasticity. Overall, the three classical assumption tests have been met, and the data is feasible to analyze using multiple linear regression methods.

4. Multiple Linear Regression Analysis Results

Based on the results of the multiple linear regression analysis, the coefficient of determination (R^2) is 0.681, which means that 68.1% of the variance in sustainability practices can be explained by the four dimensions of CSR—namely, economic, legal, ethical, and philanthropic CSR. The remaining 31.9% is influenced by other factors not included in this model. This relatively high R^2 value indicates that the regression model has strong explanatory power and is relevant for analyzing the influence of CSR on sustainability practices in companies in Indonesia.

Furthermore, the results of the F-test (simultaneous test) show an F value of 45.213 with a significance level of 0.000 ($p < 0.05$), indicating that, simultaneously, the independent variables in the model—the CSR dimensions—have a significant effect on sustainability practices. This means that a comprehensive implementation of CSR significantly contributes to the execution of corporate sustainability programs, including environmental, social, and governance aspects.

Variabel Independen	B (Koefisien Regresi)	t hitung	Sig. (p-value)
CSR Ekonomi	0.312	4.210	0.000
CSR Hukum	0.274	3.786	0.001
CSR Etika	0.198	2.993	0.004
CSR Filantropi	0.167	2.614	0.010

Table 5. Partial test results (t test)

In the partial test (t-test), all CSR dimensions show a positive and significant influence on sustainability practices. The economic CSR dimension has the strongest influence with a regression coefficient of 0.312 and a t-value of 4,210 ($p = 0.000$), indicating that economic aspects such as employee welfare and economic value creation play a central role in driving sustainability. This is followed by legal CSR ($B = 0.274$, $p = 0.001$), which emphasizes the importance of compliance with applicable regulations and laws as the foundation of long-term sustainability.

Meanwhile, ethical CSR ($B = 0.198$, $p = 0.004$) and philanthropic CSR ($B = 0.167$, $p = 0.010$) also showed significant influence although not as strong as the previous two dimensions. This finding confirms that the integration of ethical values and voluntary social contributions still play an important role in shaping the perception and implementation of sustainability in companies.

Overall, these results reinforce the argument that corporate social responsibility implemented in a comprehensive and balanced manner can be a key driver of sustainability practices in a modern business framework.

5. Hypothesis Test

Based on the results of the multiple linear regression analysis, all dimensions of Corporate Social Responsibility (CSR) showed significance values (p-values) below 0.05. Therefore, it can be statistically concluded that the null hypothesis (H_0) is rejected and the alternative hypothesis (H_1) is accepted for each variable. This means that there is a positive and significant influence of economic CSR, legal CSR, ethical CSR, and philanthropic CSR on corporate sustainability practices. This indicates that the higher the level of CSR implementation by a company, the stronger its commitment to and realization of sustainability aspects.

These findings are in line with the concept of Creating Shared Value proposed by Porter and Kramer (2019), which suggests that companies engage in CSR not merely to fulfill social obligations, but also to generate both economic and social value simultaneously. Moreover, the results reinforce Carroll's CSR Pyramid model (2018), which positions economic and legal responsibilities as the foundational layers of CSR, with ethical and philanthropic dimensions representing the company's moral commitment to society. When these four dimensions are implemented in an integrated manner, alignment between profitability and sustainability can be achieved. This is also consistent with the ESG (Environmental, Social, Governance) principles outlined by the Global Reporting Initiative (GRI), wherein CSR serves as a strategic tool to support the global sustainability agenda.

In terms of regression coefficients, the economic CSR dimension was found to be the most dominant factor influencing sustainability practices, contributing the highest value to the model (B = 0.312). This indicates that companies providing tangible economic contributions to employees, partners, and surrounding communities are more likely to actively engage in sustainability principles. On the other hand, although the ethical and philanthropic CSR dimensions also show significant effects, their influence is more moderate, suggesting that moral aspects and voluntary social contributions are still essential, but should be combined with more structured business strategies to achieve optimal impact. These findings serve as empirical evidence that strategic and comprehensive CSR implementation can enhance corporate sustainability performance in today's global era.

Discussion

1. The Simultaneous Influence of CSR on Sustainability

The research findings indicate that all dimensions of Corporate Social Responsibility (CSR)—namely economic, legal, ethical, and philanthropic responsibilities—simultaneously have a significant effect on corporate sustainability practices. This is demonstrated by an F-statistic value of 45.213 and a significance level of 0.000, indicating that the multiple linear regression model strongly explains the relationship between CSR and sustainability practices. Furthermore, the coefficient of determination (R^2) value of 0.681 shows that 68.1% of the variance in sustainability implementation can be explained by the combination of CSR variables. This proves that companies implementing CSR dimensions comprehensively tend to have better and more measurable sustainability systems.

These findings support the view of Porter and Kramer (2019) in the Creating Shared Value framework, which argues that companies must integrate social value into their business

strategies. When CSR is regarded as part of economic value, all dimensions of CSR work synergistically to promote sustainability. In this context, companies are not only pursuing financial profit but also delivering positive social and environmental impacts. Therefore, the strong correlation between CSR and sustainability as shown by the regression results serves as evidence that social responsibility practices are not a burden, but rather a long-term strategic investment.

These results are also in line with the Global Reporting Initiative (GRI, 2020) sustainability reporting standards, which emphasize that economic, social, and environmental aspects must be managed within a single integrated sustainability framework. GRI recommends that companies report the impact of their CSR policies and practices on stakeholders, including contributions to emission reduction, labor rights, and governance transparency. In this study, the companies involved have implemented CSR dimensions comprehensively, and the empirical results show that when all four dimensions are combined, the effect on sustainability becomes statistically significant and strong.

Previous research by Setyowati et al. (2021) also found that simultaneously implemented CSR dimensions can enhance the achievement of Sustainable Development Goals (SDGs) in the energy sector. Their results show that integrated CSR implementation positively impacts company reputation, consumer loyalty, and managerial efficiency. This reinforces the current findings that no single CSR dimension can stand alone without the support of the others in promoting sustainability. In other words, CSR must be viewed as a unified system within corporate governance.

Therefore, these findings affirm the importance of a systemic approach in CSR implementation in the sustainability era. Companies cannot simply select one or two CSR dimensions as a form of social responsibility; rather, they must integrate all aspects to create sustainable value. The success of CSR is not measured solely by the number of social programs implemented but by how well-structured the social responsibility strategy drives economic efficiency, legal compliance, ethical reinforcement, and real social impact. This research provides empirical evidence that strategically and simultaneously implemented CSR is a key pillar in driving corporate management transformation toward sustainability.

2. The Dominant Influence of Economic CSR on Sustainability

Trust is a fundamental factor influencing consumer behavior, especially in the realm of social media reviews. Research by Lee and Kim (2023) indicates that social media marketing strategies that prioritize transparency and authenticity significantly boost consumer trust, which in turn positively affects purchase intentions. Trust acts as a mediator between marketing efforts and consumer responses.

The results of the multiple linear regression show that among the four CSR dimensions, the economic dimension has the most dominant influence on sustainability practices, with a regression coefficient value of 0.312 and a significance value of 0.000. This finding indicates that economic aspects such as job creation, fair profit distribution, cost efficiency, and business growth directly strengthen a company's sustainability system. In this context, companies that generate economic value not only for shareholders but also for employees, customers, and surrounding communities tend to have a more solid and structured sustainability system.

The dominance of economic CSR can be explained through Carroll's CSR Pyramid framework, in which economic responsibility is the foundational layer of the entire CSR structure. According to Carroll (2018), companies must first fulfill their economic obligations—namely

generating profits, providing quality goods or services, and maintaining business viability—before they can meet legal, ethical, or philanthropic responsibilities. Without strong economic stability, companies would lack the resources and motivation to undertake other forms of social responsibility. Therefore, a company's sustainability is closely tied to its success in fulfilling its economic functions in a responsible and healthy manner.

Furthermore, the Creating Shared Value (CSV) approach by Porter and Kramer (2019) adds a strategic dimension to economic CSR. They argue that creating shared value—generating business profits while also creating social value—represents an evolution from symbolic, traditional CSR. In this context, economic CSR is not just a business obligation, but also an instrument to improve competitiveness while addressing social challenges. Companies investing in workforce training, local supply chain development, or environmentally friendly product innovation are effectively integrating CSV as a form of long-term impact-oriented sustainability.

This research finding is also supported by empirical studies by Santosa and Wulandari (2020), who found that the economic dimension significantly influences sustainability indicators, particularly in the manufacturing and service sectors in Indonesia. They noted that economically oriented CSR practices not only improve production efficiency but also build consumer loyalty and a strong corporate reputation. Similarly, research by Hanum et al. (2023) found that socially-based economic investments, such as community entrepreneurship programs and MSME partner development, have the most tangible impact on improving companies' sustainability indices.

Thus, the dominant role of economic CSR in influencing sustainability cannot be separated from the fact that sustainability requires a well-planned financial foundation. Economic CSR serves not only as the operational base for the company but also as a catalyst to trigger sustainability across social and environmental dimensions. Integrating economic value into the sustainability mission shows that companies do not have to choose between profit and social responsibility—both can be achieved simultaneously if designed within a unified strategic framework. Therefore, an economic-first sustainability approach becomes the main driver for building resilient and responsible companies.

3. The Role of Ethical and Philanthropic CSR as Moral Dimensions

Although the regression results indicate that economic CSR has the most dominant influence on sustainability practices, this does not mean that other dimensions such as ethical and philanthropic CSR can be disregarded. These two dimensions play an essential role as moral counterbalances in the corporate social responsibility ecosystem. Ethical CSR reflects a company's commitment to fair, honest business practices that respect the rights of all stakeholders, even beyond legal obligations. Meanwhile, philanthropic CSR expresses the company's voluntary contributions to the community, such as donations, social activities, scholarships, or support for cultural and humanitarian initiatives. Although these actions may not directly impact profitability, they contribute significantly to a company's social legitimacy and long-term reputation.

The presence of ethical and philanthropic dimensions is highly relevant in the context of modern societal expectations, where consumers and the public evaluate companies not just based on product or service quality, but also on the moral and humanitarian values they uphold. Research by Azis and Rachmawati (2021) shows that companies active in philanthropic initiatives and committed to business ethics are more trusted by millennial consumers, currently the largest market segment. This is also supported by the Edelman Trust Barometer (2022), which reveals that public trust in companies is greatly influenced by their stance on social issues such as justice, inclusion, and transparency. Therefore, while ethical and philanthropic CSR may show lower

statistical contributions compared to economic CSR, their impact on social legitimacy and consumer loyalty should not be underestimated.

From a sustainability perspective, the ethical and philanthropic dimensions form the social pillar in the Environmental, Social, and Governance (ESG) framework. ESG places social aspects as benchmarks for whether a company can maintain harmonious relationships with employees, local communities, and vulnerable groups. Implementing ethical and philanthropic CSR also reflects corporate concern for diversity, human rights, and social equity—all of which are highly relevant to SDG targets. Research by Rachman & Iskandar (2023) emphasized that ethics- and philanthropy-based CSR improves company image in the eyes of local communities and can even reduce resistance to business expansion.

Moreover, ethical and philanthropic CSR not only build external relationships with the public but also strengthen internal workplace climate and employee loyalty. A study by Tampubolon and Dewi (2020) found that companies practicing ethical leadership and providing opportunities for employee social contributions experience higher employee satisfaction and retention. In the long run, a company culture that upholds ethics and prioritizes social welfare creates internal social sustainability that positively impacts organizational performance. Therefore, while ethical and philanthropic dimensions may not always be strongly quantifiable, they are essential components forming the moral foundation of sustainability itself.

Thus, ethical and philanthropic CSR should be seen as the moral foundation complementing a company's sustainability strategy. Companies that not only focus on economic performance but also instill moral values and empathy into their business processes tend to have stronger, long-term relationships with the public. This aligns with the expectations of today's increasingly critical digital society, which demands transparency, fairness, and social concern from businesses. Therefore, a company's success in achieving sustainability is not measured solely by financial outcomes, but also by how deeply moral values are internalized through ethical and philanthropic CSR.

4. Practical and Strategic Implications for Corporate Management

The findings of this study provide important practical implications for company managers, particularly in designing measurable and impactful sustainability strategies. The regression analysis results, which show that all CSR dimensions significantly influence sustainability practices, indicate that companies must design CSR policies not partially or symbolically, but as an integral part of strategic management. Managers must understand CSR not just as a legal or moral obligation, but as a tool that can simultaneously enhance operational efficiency, brand reputation, customer loyalty, and internal productivity.

In terms of decision-making, managers are advised to map CSR dimensions within the sustainability management system. The dominant economic dimension should be prioritized to ensure business continuity, but without neglecting the legal, ethical, and philanthropic dimensions that contribute to legitimacy and public support. Sustainability strategies should incorporate Key Performance Indicators (KPIs) that reflect each CSR dimension. This aligns with the approach developed by Eccles and Krzus (2018) on integrated reporting, which emphasizes transparent and consistent reporting of both financial and non-financial aspects.

Furthermore, the use of technology and digitalization can serve as tools to optimize CSR implementation and reporting. Digital systems enable managers to monitor social and environmental impacts in real time, while also improving cost efficiency and documentation. A study by Sembiring & Anggraeni (2021) found that companies adopting digital-based

sustainability management systems experience increased transparency, stakeholder engagement, and strengthened social accountability. Therefore, integrating CSR into Enterprise Resource Planning (ERP) systems or digital ESG reporting represents a strategic step for modern managers.

Long-term sustainability strategies should also consider local context and global pressures. Indonesian companies, for instance, need to align CSR implementation with cultural values such as mutual cooperation (gotong royong), while also adhering to international standards like GRI and ISO 26000. A study by Putri & Darmawan (2020) suggests that companies form cross-functional sustainability task forces to design annual CSR strategies, monitor implementation, and coordinate with legal, operations, and HR units to ensure that social responsibility is not just on paper, but implemented across the entire value chain.

Overall, this study sends a strong signal that the future success of corporate management will heavily depend on how well companies integrate sustainability values into their core business strategies. Managers can no longer separate CSR from core management processes such as strategic planning, risk management, and product innovation. Sustainability is not just an "add-on program," but a new paradigm that determines a company's reputation, continuity, and competitiveness in the long term. Therefore, a holistic, integrated, and evidence-based approach is essential to build companies that are not only profitable but also responsible and adaptive to the demands of the times.

CONCLUSIONS

This study concludes that Corporate Social Responsibility (CSR) has a significant and positive influence on sustainability practices in Indonesian companies. Through multiple linear regression analysis, it was found that the four dimensions of CSR—economic, legal, ethical, and philanthropic—collectively explain 68.1% of the variance in the implementation of corporate sustainability strategies. This finding emphasizes that sustainability is not the result of a single approach but rather a synergy of various aspects of corporate social responsibility.

Among the four CSR dimensions, economic responsibility has the most dominant influence on sustainability. This indicates that sustainable value creation, cost efficiency, and contributions to business growth are fundamental to a company's long-term survival. Nevertheless, the legal, ethical, and philanthropic dimensions also make meaningful contributions, particularly in building social legitimacy, public trust, and long-term stability.

The roles of ethical and philanthropic CSR are increasingly important in the era of transparency and heightened societal expectations. Practices that uphold values of fairness, social concern, and community contribution are strong indicators of corporate reputation. In the context of ESG (Environmental, Social, and Governance) and the SDGs (Sustainable Development Goals), the social aspect of sustainability serves as a key benchmark not only for investors but also for the public and government in evaluating corporate social responsibility performance.

The practical implication of this study points to the importance of integrating CSR into corporate managerial strategy. Managers should view CSR not as an add-on activity, but as a core strategy that supports the overall sustainability of the organization. Strengthening reporting systems, embracing digitalization, and establishing sustainability teams are concrete steps that can be taken to enhance the long-term effectiveness of CSR implementation.

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