



**ASSOCIAÇÃO DE POLITÉCNICOS DO NORTE (APNOR)  
INSTITUTO POLITÉCNICO DE BRAGANÇA**

**Sustainability and Corporate Social Responsibility in  
multinational corporations, critical analysis: study case  
COGNIZANT TECHNOLOGY SOLUTIONS**

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Final Dissertation submitted to Instituto Politécnico de Bragança to obtain  
the Master Degree in Management, Specialization in Business Management

**Supervisor:**

**Professora Doutora Ana Paula Monte**

**Bragança, December, 2023.**



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de Viana do Castelo

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## Abstract

Corporate Social Responsibility (CSR) is a commitment used by business organizations to improve the society - which includes people and environment - when the consequences of their actions do not only affect themselves (Adnan et al., 2018; Visser et al., 2019) by developing a set of strategies that entails the integration of social and environmental considerations into a company's business practices and engagements with stakeholders. CSR is commonly perceived as how a company harmonizes economic, environmental, and social objectives, all while meeting the expectations of shareholders and the public's demand for greater environmental responsibility. This development has resulted in an increased focus on sustainability and CSR in both academic and professional contexts.

Many international corporations have taken measures to engage in corporate social responsibility (CSR) through actions such as reducing their carbon footprint, promoting diversity and inclusion, and supporting social causes.

This dissertation aims to examine the effects of disclosing CSR practices on corporate sustainability (CS) within the International Corporate sector. The research period covers 2020 to 2022 evaluating critically the impact of CSR. The methods to evaluate and accommodate environmental risks associated with business activities of these corporations will be analysed, using regression models, to determine the relationship between CSR and sustainability (CS).

This study will provide valuable insights into CSR and sustainability practice as powerful strategies that drive the business's ability to attract top talent, have significant long-term benefits for the organization and guide investors and regulators in their decision-making processes.

we conducted a survey to employees in order to understand and acknowledgement of some questions of the current thesis work. overall, 150 employees participated. four hypotheses were stated then we identified which are corroborated or not corroborated. We can claim that the motivation must be derived from the employee itself

**Keywords:** Corporate sustainability, Corporate social responsibility, CSR disclosure, Risk.

## Resumo

A Responsabilidade Social Corporativa (RSE) é um compromisso utilizado pelas organizações empresariais para melhorar a sociedade - que inclui as pessoas e o meio ambiente - quando as consequências de suas ações não afetam apenas a si mesmas (Adnan et al., 2018; Visser et al., 2019), desenvolvendo um conjunto de-estratégias que envolvem a integração de considerações sociais e ambientais nas práticas de negócios de uma empresa e nos compromissos com as partes interessadas. A RSE é comumente percebida como o meio pelo qual uma empresa harmoniza objetivos económicos, ambientais e sociais, ao mesmo tempo em que atende às expectativas dos acionistas e à exigência do público por maior responsabilidade ambiental. Este desenvolvimento resultou num maior foco em sustentabilidade e RSE em contextos académicos e profissionais.

Muitas corporações internacionais tomaram medidas para se-engajar na responsabilidade social corporativa (CSR) por meio de ações como a redução de sua pegada de carbono, promoção da diversidade e inclusão e apoio a causas sociais.

Esta dissertação tem como objetivo analisar os efeitos da divulgação de práticas de RSE na sustentabilidade corporativa (CS) no setor corporativo internacional. O período da pesquisa abrange 2020 a 2022, avaliando criticamente o impacto da RSE. Serão analisados os métodos de avaliação e acomodação dos riscos ambientais associados às atividades empresariais dessas organizações, utilizando modelos de regressão para determinar a relação entre RSE-e sustentabilidade (SC).

Este estudo fornecerá informações importantes sobre RSC e práticas de sustentabilidade como estratégias poderosas que impulsionam a capacidade da empresa de atrair os melhores talentos, trazem benefícios significativos a longo prazo para a organização e orientam investidores e reguladores nos seus processos de tomada de decisão.

Realizamos uma pesquisa aos colaboradores com o objetivo de compreender e reconhecer algumas questões do trabalho de tese atual. Ao todo, participaram 150 funcionários. Foram então identificadas quatro hipóteses que são corroboradas ou não corroboradas. Podemos afirmar que a motivação deve ser derivada do próprio colaborador

**Palavras-chave:** Sustentabilidade corporativa, Responsabilidade social corporativa, Divulgação de RSC, Risco.

## **Acknowledgements**

I would like to at first to express my gratitude to the president of Instituto Politécnico de Bragança (IPB) for giving me the opportunity to be enrolled for studying in Portugal.

Further, I would like to express my gratitude to my supervisor, Ana Paula Monte, who guided me throughout this project.

I would also like to thank my work colleague Abdulrahim Alhassan for his huge help throughout this work. Thank you to my family as well who supported me and offered deep insight into the study.

## **Acronyms and abbreviations**

CSR– Corporate Social Responsibility

CS– Corporate Sustainability

CFP– Corporate Financial Performance

EPS– earnings per share

MNC– multinational corporations

OM– Operation Management

PA– Processing Agent

QA– Quality analysts

ROA– return on assets

ROE– return on equity

TL– Team Lead

TSR– total shareholder return

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## Introduction

A well-designed Corporate Social Responsibility (CSR) program can be helpful for Multinational Corporations (MNCs), according to Petrović-Randelović et al (2015). For MNCs to succeed and keep a competitive advantage in the contemporary market, the development of a CSR strategy is essential. This, in return, can help the companies in achieving significant cost savings and enhancing competitiveness to meet stakeholder expectations, promote sustainability, and gain a competitive advantage. Numerous pioneering researchers in the sustainable development and social responsibility domain have listed compelling justifications for MNCs to adopt CSR and CS practices. These reasons include gaining social acceptance (Esen, 2013), achieving cost savings and enhancing competitiveness (Chan, 2014), improving reputation and public image (Strotmann, Volkert, Schmidt, 2019), meeting stakeholder expectations (Fortanier, Fabienne, Kolk, 2006), and attracting and retaining top talent (Curras-Pérez et al., 2018). With increasing pressure from stakeholders, particularly in the areas of social and environmental responsibility, MNCs must demonstrate a proactive sustainability strategy that balances social, environmental, and economic considerations for both the company and society and leads the way in implementing advancements and improvements in social issues across the different areas in which they operate. Finally, responsible business practices that align corporate objectives with stakeholder management and environmental responsibility can create both economic and societal value. Lastly, research shows that corporations with a higher reputation and more socially responsible CSR programs have a competitive edge.

Sustainability and corporate social responsibility (CSR) have become increasingly important considerations for Multinational Corporations (MNCs) in today's business landscape. MNCs realize the importance of integrating sustainable practices and social responsibility initiatives in their operations to achieve long-term success and maintain competitive advantage and engage in sustainability and social responsibility issues for various reasons (Curras-Pérez et al., 2018). Firstly, these companies are concerned about the development of the countries in which they operate. They realize that their operations can have a significant impact on the economy, environment, and local society (Curras-Pérez et al., 2018).

Secondly, in many developing countries, CSR initiatives are a response to the pressure created by society regarding labour issues, environmental pollution, and human rights. As society becomes more conscious and aware of the impact of business operations on the local communities and the environment, the pressure on MNCs to address these concerns and foster a positive impact is more significant than ever before. MNCs are expected to go beyond profit-making and strive to contribute positively to the well-being of the communities in which they operate (Curras-Pérez et al., 2018).

MNCs can derive several benefits from sustainability and CSR practices. Firstly, well-designed CSR programs can lead to significant cost savings for MNCs. MNCs can decrease their operational expenses by incorporating sustainable practices, such as implementing energy efficiency measures and waste reduction strategies (Strotmann, Volkert, Schmidt, 2019). Secondly, CSR initiatives can enhance the competitiveness of MNCs. They can gain a competitive edge, attract environmentally conscious consumers, and distinguish themselves in the market by incorporating sustainability into their business strategies (Curras-Pérez, 2018). Thirdly, engaging in sustainability and CSR can improve the reputation and public image of MNCs. Consumers, investors, and other stakeholders are increasingly valuing companies that demonstrate a commitment to social and environmental responsibility (Strotmann, Volkert, Schmidt, 2019). Finally, by adopting sustainability and CSR practices, companies can meet the expectations of various stakeholders, including customers, employees, investors, and communities, and build stronger relationships (Esen, 2013).

Practical research has confirmed a positive correlation between CSR activities and the competitive advantage of MNCs (Fortanier, Fabienne & Kolk, 2006). By integrating sustainable practices and corporate social responsibility into their operations, multinational corporations can align their corporate objectives with effective stakeholder management and environmental accountability. This alignment creates economic and societal value, leading to enhanced competitiveness in the market (Curras-Pérez et al., 2018).

In conclusion, MNCs are increasingly recognizing the importance of sustainability and CSR in their operations. By getting involved in these practices, companies can achieve cost savings, enhance their competitiveness, improve their reputation, and meet stakeholder expectations. Integrating sustainability and CSR into their business strategies allows MNCs to create economic and societal value, ultimately leading to a competitive advantage in the global market (Esen, 2013).

The objective of this study is to evaluate the impact of sustainability practices and corporate social responsibility initiatives adopted by multinational corporations. The study aims to analyse how MNCs are addressing critical environmental and social issues while keeping profitability. It also investigates how multinational corporations are adopting sustainable business practices and identifies their key sustainability strategies. The study aims to identify the benefits that sustainable business practices offer to both the corporation and the wider society. Furthermore, it assesses the role of multinational corporations in promoting sustainable development and identifies areas for improvement. Finally, the study provides recommendations for improving sustainability practices and promoting corporate social responsibility initiatives in multinational corporations.

The importance of integrating sustainability into business practices has been recognized by MNCs (Esen, 2013). MNCs need a proactive sustainability strategy to balance "the social, environmental, and economic considerations for both the company and society (Esen, 2013). Corporations can obtain a competitive advantage through integrating sustainability and technological innovation into their strategy (Chan, 2014). CSR can mitigate corporate damage by encouraging socially responsible and environmentally friendly actions (Strotmann, Volkert, Schmidt, 2019). The impact of CSR

practices on the competitive performance of MNCs has been analysed in a way that takes into account its impact on the economy and society.

This dissertation aims to analyse the CSR initiative adopted by Cognizant IT Solution, a MNC operating in Portugal to acquire a more profound insight into CSR and its impact on corporation performance and the actions that shape CSR.

The methodology for conducting this comprehensive CSR analysis involves several key steps. The first step is to gather relevant information about the Cognizant's services, activities, and decision-making processes, including identifying areas that need to be addressed. The next step is to identify CSR themes and assess the company's strategy in responding to emerging opportunities and issues. Engaging stakeholders through interviews, surveys, and observations helps gather insights and perspectives from different groups affected by the company's CSR initiatives. Reviewing corporate documents and processes helps understand how CSR is integrated into the company's daily routine, including identifying legal requirements and reviewing the company's compliance with them. Assembling a skilled working group and developing a clear definition of CSR that aligns with the company's values and objectives are also important steps. Finally, treating CSR assessment as a continuous process helps track progress and identify areas for improvement.

After careful consideration, "cognizant technology solutions" Portugal was selected as the case study for its outstanding performance and restricted policy in complying with the CSR and CS framework in the international standards. It maintained an excellent reputation in CSR practices, with a significant presence in various industries. Its CSR policies and practices provide a rich source of information that can help us address our research questions regarding the impact of CSR on corporate performance

# 1. Literature Review

## 1.1 Corporate social responsibility (CSR)

Corporate Social Responsibility (CSR) has gained a crucial role in today's business environment, (Chan, L. Y, 2014). The CSR refers to the process of integrating social, environmental, ethical, human rights, and consumer concerns into a company's business operations and core strategy in close collaboration with stakeholders, with the aim of maximizing the creation of shared value (Strotmann, H., et Al, 2019). There are several dimensions of CSR, including economic, environmental, ethical, governance, and social aspects.

CSR is a management strategy that allows companies to extend their activities to have social and environmental impact by creating positive interaction between the business operations, stakeholders interest, social and environmental aspects. It is a way of achieving balance of economic benefit, environmental and social imperatives. While maintaining the expectations of stakeholders. From this perspective scholars see CSR as a vital strategic concept to help improve the image of the business and strengthen its brand. According to Esen, E. (2013) CSR helps build effective perception of business brands leading to increase the equity of the business. For many years, scholars have been developing the idea of companies having social responsibilities. Wendell Wilkie, a well-known scholar, helped teach business owners the CSR concept as far back as the 1930s. Since then, many researchers contributed to this strategy, including work done by Berle and Means in 1932, Mason in 1960, McGuire in 1963, and Davis and Blomstrom in 1966. However, some evidence suggests that Howard R marked the modern era of social responsibility in Bowen's 1953 publication of Social Responsibilities of the Businessman. Many scholars consider it to be the first definitive book on the subject. McGuire 1963 argued that besides economic and legal obligations, the corporations have extended responsibilities to society and not limited only to these obligations. He acknowledged the importance of economic concerns while accommodating a broader view of the firm's social responsibilities.

In the table1 below is presented a CSR definition list.

**Table1:** Definitions of Corporate Social Responsibility

Entrepreneurs' obligations to promote policies; make decisions or follow lines of action desirable in terms of the society's objectives and values.	Bowen (1953)
The term is presented as a vague idea defined in several ways. When used in a management context, at least partially, extending beyond the technical or economic interests of a company.	Davis (1960)
A socially responsible company is one in which management personnel must balance several interests. Instead of fighting only for large profits for its shareholders, it also takes into account its employees, suppliers, distributors, local communities and nation.	Johnson (1971)
It is the company's acceptance of its social obligations beyond the requirements of the law.	Davis (1973)
The social responsibility of companies covers the economic, legal, ethical, and discretionary expectations that society has placed on organizations at a given time.	Carroll (1979)
This definition focuses on the broad voluntary obligations companies have to constituent groups of society other than shareholders, and this extends beyond what is established through law or contracts.	Jones (1980)
Corporate social responsibility involves making sufficient profits to cover future costs. When this is not achieved, no other responsibilities can be fulfilled.	Drucker (1984)
For CSR to be accepted by an aware businessperson, it shall be structured in such a way as to cover the full range of corporate responsibilities. Four forms of social responsibility constitute CSR: economic, legal, ethical, and philanthropic responsibility.	Carroll (1991)
CSR concerns the ethical and transparent relationship between a company and its public audience, the establishment of goals in line with the sustainable development of society, the conservation of natural and environmental resources for future generations, respect for diversity and support for reduction of social inequality.	Ethos (2016)
CSR involves a commitment to improving community well-being through discretionary business practices and corporate resources contributions.	Kotler and Lee (2005)
CSR involves the management of stakeholders' concerns about responsible and irresponsible actions related to environmental, ethical and social phenomena to create corporate benefits.	Vaaland et al. (2008)
CSR involves a new way of doing business whereby companies manage their operations in a sustainable manner economically, socially and environmentally while recognizing the interest of different public audiences they relate to (i.e., shareholders, employees, the community, suppliers, and customers) in consideration of the environment and sustainable development.	Forum Empresa (2016)
CSR involves a company's voluntary integration of social and environmental concerns regarding its business operations and relationships with representatives (2001). It refers to the responsibility that companies have in structuring their impacts on society (2011).	UE Green Paper (2001, 2011)

Source: Carrol (1999), Ethos (2016), Forum Empresa (2016), Kotler & Lee (2005), UE Green Paper (2001, 2011)

### 1.1.1 Concept evolution and dimensions

Between the late 1990s, and early 2001 CSR's concept underwent a significant shift in understanding. Burke and Logsdon (1996) introduced a new perspective on CSR that emphasized its strategic use. This approach suggested that companies could derive measurable economic benefits from CSR, prompting a widespread debate on the topic. The period also saw the emergence of alternative concepts such as stakeholder theory, corporate social performance, and corporate citizenship, which added to the confusion surrounding the definition of CSR. By the end of the decade, the concept had broader responsibilities placed on corporations, and its boundaries remained unclear (as noted by Lantos (2001)). Nonetheless, international organizations and companies saw potential in CSR as a way to balance the challenges and opportunities of the time, leading to new dimensions being introduced to extend CSR activities to include human and labour rights, environment, anti-corruption and sustainable development.

Since 2015 the birth of Sustainable Development Goal agreement the literature of CSR shifted its focus into CSR impaction into the performance of areas that linked to the SDG and the maintain the integrity of this strategy (Latapí Agudelo et al, 2019).

Several key dimensions of CSR exist, namely the economic dimension, social dimension, environmental dimension (Nikolau et al., 2013). The economic dimension concentrates on a company's financial standing and its impact on stakeholders such as shareholders, workers, and suppliers (Fortanier, Fabienne & Kolk, 2006). The social dimension emphasizes a company's impact on society, including its contributions to community development, social justice, and human rights. Philanthropy, employee volunteering, and community involvement are some of the practices. According to (Curras-Pérez et al., 2018) the social dimension represents the link between a corporation and its socio-cultural surroundings.

The environmental dimension focuses on a company's effect on the environment, including its efforts to minimize its carbon footprint, reduce waste, and implement sustainable practices. According to Carroll and Buchholtz (2003), all companies have legal obligations to maintain the regulations regarding pollution, handling dangerous materials, and protect natural resources.

The development of CSR has been influenced by societal expectations, regulatory changes, and stakeholder demands. Researchers have also recognized various drivers of CSR, including economic profits, ethical motivations, and stakeholder expectations. Literature indicates that the dimensions of CSR are interconnected, and companies must address all aspects to achieve sustainability and fulfil stakeholder expectations. Thus, the concept of CSR has evolved to cover multiple dimensions. Companies must account for all aspects to achieve sustainability while fulfilling stakeholder expectations.

### 1.1.2 Drivers of CSR

There are several factors driving corporate social responsibility (CSR) ambition, which aims to satisfy stakeholders' expectations and foster sustainability by taking into account social and environmental factors as essential for achieving lasting success. These drivers include changing societal expectations, the need to manage risks, pursuit of sustainable development and changing demands of customers are leading factors that motivate companies to engage in corporate social responsibility. Study by Claydon, J. (2013) emphasizes that meeting the consumer's demands is essential for business to remain profitable.

Today, consumers are not only interested in the quality and price of products and services; they also demand transparency and accountability from the companies they support. With the rise of social media and increased access to information, consumers are more informed than ever before, and they expect businesses to act responsibly. According to (Edelman Trust Barometer 2020), 92% of consumers globally say that they want to buy products and services from companies that prioritize social and environmental issues.

This growth in consumer demands have motivated companies to adopt CSR practices to build trust, enhance brand reputation, and secure customer loyalty. Moreover, corporations recognize that managing social and environmental risks is essential for long-term sustainability. Issues such as climate change, resource depletion, and human rights violations can have severe consequences on business operations and reputation (Bansal, 2003; Heugens, Kaptein, & Van Oosterhout, 2008). Companies that fail to tackle these hazards, they may encounter legal and financial consequences as well as harm to their brand reputation. By taking proactive steps in corporate social responsibility (CSR), companies can minimize risks, build better relationships with stakeholders, and improve their ability to withstand outside disruptions. From a strategic standpoint, it's recommended that businesses involve themselves in CSR due to external incentives like market and institutional pressures, and also because it brings advantages such as greater staff dedication and customer loyalty. (McWilliams & Siegel, 2011).

For instance, in the wake of the Rana Plaza garment factory collapse in 2013, which killed over 1,100 workers, major fashion brands faced widespread criticism and boycotts. This tragedy highlighted the need for better supply chain management and ethical labour practices, prompting many companies to reassess their CSR strategies.

Another driving force behind corporate social responsibility is the pursuit of sustainable development. Businesses are increasingly recognizing that their activities can have far-reaching impacts on the planet and society, and they have a role to play in addressing global challenges. The United Nations' Sustainable Development Goals (SDGs) have provided a framework for businesses to align their strategies with societal needs. By integrating the SDGs into their operations, companies can contribute to poverty alleviation, environmental protection, and social progress while also creating business opportunities. Research has shown that companies with strong CSR practices tend to outperform their peers in terms of financial performance, innovation, and employee engagement,

further incentivizing organizations to prioritize social and environmental initiatives (Child & Tsai, 2005).

In conclusion, two contrasting perspectives dominate the discussion: the moral and the strategic as corporate social responsibility has become a driving force in the business world due to changing societal expectations, the need to manage risks, and the pursuit of sustainable development. As consumers become more conscious of the social and environmental impacts.

### **1.1.3 Theories explaining CSR**

Theories explaining corporate social responsibility (CSR) have been developed to provide insights into the motivations and rationale behind CSR practices. These theories help understand why companies engage in CSR and how it can be beneficial to both the company and society. Some of the major theories explaining corporate social responsibility include Stakeholder theory: According to Freeman, R. E., & Dmytryev, S. (2017) The theory of Stakeholders suggests that the fundamental element of a business is primarily focused on fostering relationships and generating value for all of its stakeholders. This theory suggests that companies should not only focus on maximizing shareholder value but also take into account the needs and expectations of other stakeholders. Agency Theory as define by Menyah, K. (2013) it “provide a framework for determining the appropriate contractual arrangement (implicit or explicit) that aligns the interests of a principal and an agent who are engaged in a co-operative activity in the presence of hidden action and hidden information which the principal cannot observe or can do so at a cost, but may still not be able to prevent opportunistic behaviour by the agent”. Agency theory proposes that corporate social responsibility can be used to align the interests of managers and shareholders. It recognizes that directors may have their own interests and motivations, which may not always coincide with the interests of shareholders. By engaging in CSR activities, companies can show their commitment to the long-term interests of shareholders and mitigate agency problems.

Legitimacy Theory: The legitimacy theory suggests that organizations constantly strive to ensure that their activities are within the boundaries and social norms and focused on the interactions of the company with the society (Deegan et al., 2002). This theory means that the organization is also part of the community where it must pay attention to the standards applicable in the social community. It was also mentioned that this theory was implemented in the hope of gaining legitimacy from the surrounding community. This is confirmed by the statement of Dowling and Pfeffer (2007). Legitimacy theory posits that companies engage in CSR to maintain their social license to operate. He stressed the importance of society seeing companies as legitimate and socially responsible. Legitimacy theory states that the company will communicate information to various stakeholders to adjust people’s expectations of the company (Ashforth and Gibbs, 1990), and by engaging in corporate social responsibility, companies can show their commitment to ethical and responsible behaviour, which can enhance their reputation and legitimacy.

Corporate Theory: Corporate theory proposes that companies engage in CSR to conform to societal norms and expectations: It recognizes that companies operate within a broader institutional context

and are affected by social, cultural and organizational pressures. By adopting CSR practices, companies can align themselves with prevailing standards and expectations, which can enhance their legitimacy and reduce the risk of institutional pressures. These theories offer different perspectives on why companies engage in CSR and how it can be beneficial. They highlight the importance of considering the interests of stakeholders, aligning the interests of directors and shareholders, maintaining legitimacy, and complying with societal norms and expectations. By understanding these theories, researchers and practitioners can gain insights into the motivations and rationale behind CSR practices in multinational corporations.

## **1.2 Corporate sustainability (CS)**

### **1.2.1 Definition and evolution of CS – the ESG**

In the management literature, there is no standardized definition of Corporate Sustainability (CS). Instead, several definitions of CS and Corporate Social Responsibility (CSR) have been used. CSR is generally defined as voluntary company activities that have a positive impact on society, as concluded by Montiel, I. (2008).

According to Singha, D. et al. (2019) CS is referred to as a corporate management model that prioritizes social goals for sustainable development over traditional profit maximization. This means that CS encompasses sustainable development, CSR, stakeholder theory, and corporate accountability to the integration of environmental, social, and governance (ESG) factors into a company's business operations and decision-making processes. It involves managing and mitigating the impact of a company's activities on the environment, society, and stakeholders, while also considering long-term value creation and risk management.

Since 1978, the United Nations has been using the term "sustainable" interchangeably with ecological development. Nevertheless, with the emergence of other related terms like sustainability and sustainable development, a multitude of definitions have been suggested for both (Johnston et al., 2007)

The concept of CS has undergone a transformation over time, with an increasing realization of the significance of ESG factors. ESG is an acronym for three fundamental dimensions: Environmental, Social, and Governance. The environmental dimension concentrates on a company's impact on the natural environment, involving issues such as its carbon emissions, energy consumption, waste management, resource conservation, and environmental stewardship practices. In contrast, the social dimension evaluates a company's relationships with its employees, customers, suppliers, communities, and other stakeholders, including aspects such as labour rights, human rights, diversity and inclusion, community engagement, and philanthropy. Lastly, the governance dimension refers to a company's leadership, transparency, accountability, and ethical practices, taking into account factors such as board composition, executive compensation, shareholder rights, anti-corruption measures, and compliance with legal and regulatory frameworks.

In Table 2 and 3, we collect some definitions that have been published in academic management journals and practitioner journals to understand how and which CS definitions have crossed over from a specialized CS discussion to the general management publications.

**Table 2: Definitions of sustainability**

Terminology	Definition	References
<b>(A) Top Academic Management Journals</b>		
Sustaincentrism	Process of achieving human development in an inclusive, connected, equitable, prudent, and secure manner. Sustainable development components are: 1. inclusiveness (environmental and human systems, near and far, present and future); 2. connectivity (world's problems interconnected and interdependent); 3. equity (fair distribution of resources and property rights); 4. prudence (duties of care and prevention); and 5. security (safety from chronic threats). (p. 878)	Gladwin, Kennelly, and Krause (1995)
Ecological sustainability	It can be achieved through four different mechanisms: 1. Total quality environmental management; 2. Ecological sustainable competitive strategies; 3. Technology-for-nature swaps; 4. Corporate population impact control.	Shrivastava (1995)
Ecological sustainability	Ability of one or more entities, either individually or collectively, to exist and flourish (either unchanged or in evolved forms) for lengthy timeframes, in such a manner that the existence and flourishing of other collectivities of entities is permitted at related levels and in related systems. (p. 909)	Starik and Rands (1995)
Sustainable development	States that the Brundtland definition is not really a definition but a slogan; emphasizes that sustainable development is managed through ethnocentric, capitalistic notions of managerial efficiency (sustainable capitalism).	Banerjee (2003)
Corporate sustainable development	Based on three principles: 1. economic prosperity; 2. social equity; and 3. environmental integrity. (p. 198; see more detail in Table 4).	Bansal (2005)
Corporate sustainability	Refers to the 1987 Brundtland's definition: development that meets the needs of the present without compromising the ability for future generations to meet their own needs.	Sharma and Henriques (2005)
Sustainability	Building a society in which a proper balance is created between economic, social, and ecological aims. For businesses, this involves sustaining and expanding economic growth, shareholder value, prestige, corporate reputation, customer relationships, and the quality of products and services. It also means adopting and pursuing ethical business practices, creating sustainable jobs, building value for all of the company's stakeholders, and attending to the needs of the underserved. (p. 628)	Szekely and Knirsch (2005)
Corporate sustainability	The ability of a firm to nurture and support growth over time by effectively meeting the expectations of diverse stakeholders. (p. 121)	Neubaum and Zahra (2006)

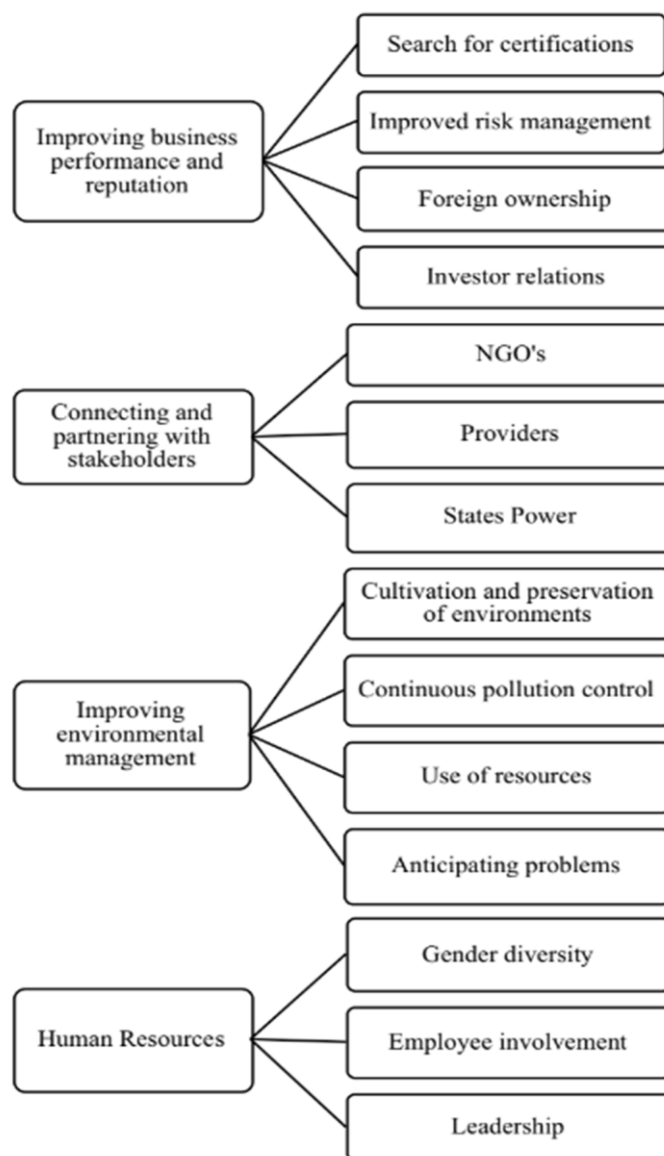
**Table3:** Definitions of sustainability (cont.)

Terminology	Definition	References
Sustainable development	One of the three key strategic capabilities in the natural resource-based view (NRBV) (along with pollution prevention and product stewardship); has evolved in two distinct areas: clean technology and base of the pyramid (BoP) strategies. (p. 1470)	Hart and Dowell (2011)
Sustaincentric orientation	An ongoing process of equitably including a highly interconnected set of seemingly incompatible social, ecological, and economic systems through collaborative theorization of coordinated approaches that harness the collective cognitive and operational capabilities of multiple local and global social, ecological, and economic stakeholders operating as a unified network or system. (p. 586)	Valente (2012, based on Gladwin et al., 1995)
<b>(B) Practitioner Management Journals</b>		
"Ideal" sustainable organization	Takes a systems perspective to describe organization that will not use natural resources faster than the rates of renewal, recycling, or regeneration of those resources. (p. 122)	Marshall and Brown (2003)
Sustainable organization	One whose characteristics and actions are designed to lead a "desirable future state" for all stakeholders. (p. 65)	Funk (2003)
Sustainable development innovation (SDI)	Must incorporate the added constraints of social and environmental pressures as well as consider future generations. SDI is therefore more complex (because there is typically a wider range of stakeholders) and more ambiguous (as many of the parties have contradictory demands). (p. 61)	Hall and Vredenburg (2003)
Sustainable enterprise	Contributes to sustainable development by delivering simultaneously economic, social, and environmental benefits. Sustainable development is the process of achieving human development in an inclusive, connected, equitable, prudent and secure manner. (p. 56)	Hart and Milstein (2003)
Sustainability	Firms need to integrate six perspectives: 1. Regulatory compliance; 2. Incremental mitigation; 3. Value alignment; 4. Whole system design; 5. Business model innovation, and 6. Mission transformation. (pp. 13-14)	Markevich (2009)
Sustainability	Firms need to encompass a focus on human as well as physical resources. (p. 35)	Pfeffer (2010)
Sustainability	Based on the GRI [Global Reporting Initiative] Framework, sustainability not only encompasses aspects such as philanthropy and pollution but also a broad range of social, environmental, and governance metrics. (p. 76)	Peloza, Loock, Cerruti, and Muyot (2012)

The ESG framework has gained prominence as a way to assess and measure a company's sustainability performance. Investors, regulators, and stakeholders increasingly consider ESG factors when evaluating the long-term viability and resilience of companies (Vardari et al., 2020)

CS improves business performance and reputation, reducing or eliminating risks and linking operations to results that can improve the common good (Wilshusen & MacDonald, 2017) even if its implementation only could become a rich source of competitiveness if the opportunities related to sustainable development are properly identified (Baumgartner, 2014) which makes Integrating CS into the company's strategy more than a responsibility in order to survive over time (Ashraf et al., 2018)

In figure 1 we present a summarized form, the main contributions of CS, divided into 4 axes



**figure1:** Contributions of CS to companies  
 (source: Cho, C. H., Laine, M., Roberts, R. W., & Rodrigue, M. (2018))

### **1.2.2 Drivers of corporate sustainability**

In recent times, numerous industries have shown a growing interest in incorporating sustainability into their corporate strategy. This trend has been the subject of extensive research, particularly regarding multinational corporations with varying management strategies. The main objective of this paper is to investigate the critical drivers behind the integration of sustainability identified in the literature for a specific research question.

Several factors contribute to the adoption and implementation of CS practices. One such factor is stakeholder expectations, where customers, investors, regulatory bodies, and employees increasingly expect companies to display responsible and sustainable behaviour. By meeting these expectations, companies can enhance their reputation, attract top talent, mitigate potential risks, and keep their social license to operate.

Another significant driver is the regulatory environment, as governments play a crucial role in shaping corporate sustainability practices through policies and regulations. These regulations can range from environmental regulations and labour laws to reporting requirements and sustainability frameworks, all influencing how companies implement sustainable practices.

Additionally, companies are recognizing the potential financial benefits of CS, including cost savings through resource efficiency, access to green financing, tax incentives for sustainable initiatives, and enhanced market opportunities for environmentally friendly products and services.

Risk management is also a key driver, as CS practices allow companies to identify and manage potential environmental, social, and governance risks proactively. By addressing these risks, companies can mitigate legal liabilities, regulatory non-compliance, reputational damage, and operational disruptions.

Finally, embracing CS provides a competitive advantage by differentiating a company's products and services in the market. Consumers' increasing demand for sustainable and ethically produced goods places firms that meet these demands in a strategic position.

### **1.3 Corporate Financial Performance (CFP)**

Corporate Financial Performance (CFP) is measured with accounting-based or market-based indicators. The most frequently used indicators are summarized in Table 3.

Each indicator has positive and negative traits. On the positive side, accounting-based measures are available for all companies and reasonably comparable. The chief advantage of market-based measures is their contemporariness. This means that they reflect changes in CSR faster than accounting-based measures.

**Table 4:** Indicators Commonly used for CFP

<b>Accounting-based</b>	<b>Market-based</b>	<b>Accounting-and market-based</b>
ROA	Stock returns	Tobin's Q
ROE	Market value of a	MVA
ROCE	company	
ROS	Change in stock	
Net operating income	returns	
Net income		

### 1.3.1 Accounting based measures

Accounting-based measures are financial indicators that provide valuable insights into a company's performance. They are primarily focused on the financial statements and include metrics such as net income, return on assets (ROA), return on equity (ROE), and earnings per share (EPS). Net income refers to the profit earned by a company after deducting expenses from revenue, while ROA indicates the profitability generated by a company's total assets. Similarly, ROE measures the profitability generated for shareholders' equity invested in the company, and EPS represents the portion of a company's profit allocated to each outstanding share of common stock. Together, these accounting-based measures provide a comprehensive view of a company's profitability, efficiency, and ability to generate returns for its shareholders.

As limitations for accounting-based measures are historical, total categories like net profit fail to take company size into account (Al-Tuwajri et al., 2004), relativised accounting ratios like return on assets (ROA) may be biased if the sample includes companies from different industries (due to the varying age and structure of assets across industries).

### 1.3.2 Market based measures

Market-based measures are used to evaluate a company's performance. They include stock price, which is the price at which shares of the company are traded on the stock exchange, market capitalization, which is the total value of a company's outstanding shares calculated as the product of stock price and shares, and total shareholder return (TSR), which is the overall return earned by shareholders through stock price changes and dividends over a specific period. These measures provide insight into how investors perceive and expect the company to perform. External factors such as market conditions, industry trends and investor sentiment can affect these measures.

The biggest limitation of market-based measures is that they are only available for publicly listed companies. market-based measures inevitably incorporate systematic (not-firm-specific) market characteristics (e.g., recession), whereas accounting-based indicators are more sensitive to company specific (unsystematic) perceptions of CSR (McGuire et al., 1988).

#### **1.4. CSR in multinational corporations**

Corporate Social Responsibility (CSR) in the multinational corporations (MNCs) sector refers to the initiatives and actions undertaken by MNCs to address social, environmental, and ethical concerns across their global operations. MNCs often have a significant impact on multiple countries, economies, and communities where they operate.

CSR in MNCs involves integrating responsible business practices that go beyond legal compliance and contribute to sustainable development. This includes initiatives related to labour standards, human rights, environmental protection, community development, supply chain management, and responsible governance. MNCs face unique challenges and opportunities due to their global operations and diverse stakeholder landscapes. They have the potential to drive positive change by leveraging their global reach and resources to address pressing global issues and contribute to the well-being of the communities they operate in.

#### **1.5. CS in multinational corporations**

Corporate sustainability (CS) in the multinational corporations (MNCs) sector extends beyond CSR and encompasses a broader approach to sustainable business practices across all global operations. CS in MNCs involves integrating ESG considerations into the core business strategy and operations to create long-term value while minimizing negative environmental and social impacts.

CS in MNCs includes initiatives such as setting global sustainability goals, implementing sustainable supply chain practices, reducing greenhouse gas emissions, promoting human rights and labor standards throughout the value chain, engaging with local communities, and fostering responsible governance practices across borders.

MNCs play a crucial role in shaping global sustainability practices and influencing supply chains. By implementing CS practices, MNCs can enhance their reputation, manage risks, attract investors, foster innovation, and contribute positively to sustainable development in the regions where they operate.

#### **1.6. CSR, CS and CFP relationship in multinational corporations**

The relationship between CSR, CS, and Corporate Financial Performance (CFP) in the multinational corporations (MNCs) sector is complex and context dependent. While there is growing evidence that CSR and CS initiatives can positively influence CFP in general, the specific relationship may vary across different industries, regions, and company-specific factors.

MNCs that effectively integrate CSR and CS into their operations may benefit from improved brand reputation, stakeholder relationships, risk management, and access to new markets. These factors can contribute to enhanced CFP over the long term.

However, it is important to note that the impact of CSR and CS on CFP may not be immediate or easily quantifiable. The relationship can be influenced by factors such as the nature of CSR and CS initiatives, stakeholder perceptions, regulatory frameworks, market conditions, and competitive dynamics.

## **1.7 Stakeholder approach in corporate social responsibility (CSR)**

A stakeholder is defined narrowly as the “suppliers, customers, employees, stockholders, and the local community” (Jennings, 2012, p. 96).

Business relies on a multitude of relationships with the stakeholders and staying connected to the parties who have an actual or potential interest in or effect on the business organization nowadays must operate as moral agents in society, and they must be prepared to place public service and social responsibility over personal gains and special private interests. Together with the emergence of concepts such as sustainable development, global business citizenship and pressure from and demands by various stakeholders help explain the key role of CSR in the business world (Varey, 1997).

### **1.7.1 Stakeholder theory by Edward Freeman**

Interest in CSR has been influenced by stakeholder theories (Henderson, 2001). According to Stark (1994), stakeholder theory of the firm is probably the most popular and influential theory to emerge in the CSR area. Stakeholder theory was developed and presented by Edward Freeman in the 1980s. The stakeholder approach begins by looking at various groups to which the corporation has a responsibility. Evan and Freeman (1993, p. 166) then suggested two simple principles:

- principle of corporate effect, says that companies are responsible for the effects of their actions on others.
- principle of corporate rights, which demands that the corporation has the obligation not to violate the rights of others.

The approach of CSR is based on the stakeholder perspective and discussion of the debate on business and society relationships. In fulfilling CSR obligations, organizations are expected to engage with their stakeholders through various initiatives and activities. Stakeholder Theory typically focuses on the attributes of the actors in the relationships of the firm and the stakeholder.

### **1.7.2 Stakeholders' engagement in CSR**

Stakeholder engagement involves ways of staying connected to the parties who have an actual or potential interest in or effect on the business. A stakeholder-oriented approach to CSR emphasizes that organizations exist within large networks of stakeholders, all of which stake claims on organizations (Theaker, 2004)

A stakeholder approach to CSR means that firms should try to integrate the values and viewpoints of stakeholders in firms' decision-making processes and behaviour. However, defining exactly who should be granted stakeholder status remains a delicate question.

Andriof and Waddock (2002) claim that stakeholder engagement integrates stakeholder thinking with ideas from CSR and strategic networking. Stakeholder engagement has been listed as a main aspect to assess the standard of CSR, alongside aspects such as stakeholder commitment, management system, reporting, audit and certification (Tencati et al., 2008).

### **1.7.3 Diverse stakeholder relationships**

Multinational corporations (MNCs) operate in diverse and complex environments, engaging with a wide range of stakeholders. Managing diverse stakeholder relationships is crucial for MNCs to navigate cultural, social, and economic differences across various markets. Here are some key points to consider:

1. Importance of Stakeholder Relationships
2. Cultural Sensitivity and Adaptation
3. Stakeholder Mapping and Prioritization
4. Communication and Transparency
5. Corporate Social Responsibility (CSR)
7. Continuous Learning and Adaptation

In summary, managing diverse stakeholder relationships is a critical aspect of MNC operations. By understanding and engaging with stakeholders effectively, MNCs can build trust, enhance their reputation, and contribute to sustainable development in the markets they operate in

## 2. Research Methodology

### 2.1 Objective of the study and Research Hypothesis

The purpose of this study is to investigate how Multinational organizations' CSR endeavours impact society. Furthermore, the study aimed to understand how the correlation between the core business principles and CSR activities of these organizations influenced this impact. In this chapter, we will present the methods employed to identify and gain a better understanding of this relationship and address the research questions posed. Comprising: Objectives and sample definition, Data collection instruments and techniques, Model and variable description, and Data analysis techniques.

There were established the six main objectives of the study in order to identify what is going to be presented:

- O1: To explore and analyse the role of CSR in enhancing organizational performance while positively impacting society and the environment.
- O2: To identify if employees believe that a company should effectively communicate its CSR activities to employees.
- O3: To examine the impact of CSR practices on stakeholders' perceptions of the company.
- O4: To determine the degree of importance of social responsibility for the employees.
- O5: To understand which efforts and resources Cognizant Technology Solutions provide to get employees involved in social responsibility.
- O6: To analyse the satisfaction of employees with the company's efforts.

The use of the case study approach proves to be beneficial in assessing the significance of corporate social responsibility (CSR) in practical scenarios. Yin (1994, p. 13) defined a case study as "an empirical inquiry that investigates a contemporary phenomenon within its real-life context, particularly when the distinctions between the phenomenon and context are unclear."

Based on the main objectives of the work, some of the hypotheses (H) of were formulated:

- H1: Correlation between the independent variables: **Q11**. The company's CSR initiatives positively influence my perception of the company's ethical Values; **Q18**. The company effectively involves employees in volunteering and community service; **Q20**. I am willing to actively participate in the company's CSR activities; **Q19**. The company's CSR initiatives positively influence my overall job satisfaction; **Q15**. I feel proud to be associated with a company that engages in socially responsible practices and the dependent variable **Q20**. I am willing to actively participate in the company's CSR activities;

- H2: There is a positive relationship between employees' variable and pre-existing knowledge about social responsibility.
- H3: There is association between the level of participation in social activities and Sociodemographic variable (Age, gender, and job position)
- H4: There is a difference between males and females regarding perception of CSR.

## **2.2. Data collection instruments and techniques**

This section explains how the study was managed and what methodologies were used to collect the data. Finally, it provides a significant part of data analysis

The current research work follows quantitative analysis with main objectives and hypothesis

The first phase of data collection consisted of structured interviews with “Cognizant Technology Solutions” managers and executives. The aim of the interviews was to get information on whether CSR issues play a role when corporations compete for licenses and contracts, and on how this might influence CSR activities of the company. To this end, questions were asked about the relative importance of CSR in awarding licenses or contracts, compared with company and bid factors including technological prowess and financial strength. Moreover, as different aspects of CSR are likely to matter differently, we also asked respondents to rate the importance of a variety of different CSR dimensions for getting contracts and licenses. These questions were posed to both managers and corporations, to control for the fact that these parties may have different perceptions of the situation. The implications for CSR behaviour were addressed through questions aimed at eliciting the nature and motivations of CSR activities in “Cognizant Technology Solutions”.

With each interviewee we provided a brief description of the research. The questionnaire contains two parts: questions about personal data and the second part is collection of information on CSR within “Cognizant Technology Solutions”.

Questions in the first part gather information about age, gender, ethical background, and work department in order to have a general profile of each participant. The second part questionnaire consists of 20 questions. All the questions from the second part are based on Likert Scale from 1 (strongly disagree) to 5 (strongly agree). The questionnaire can be found in Appendix1.

The questionnaire was sent by “Cognizant Technology Solutions” project manager to all employees by email to 700 employees. We used the Google Forms that was conducted during July-August of 2023. In total, 150 questionnaires were received, a response rate of 21.42%.

To examine the theoretical information and data we used open internet sources, open Internet Libraries, IPB library, different scientific and regular journals, and “Cognizant Technology Solutions” annual sustainability reports.

The Cronbach's alpha consistency (Smith & Albaum, 2013) was used to measure reliability of the questionnaire:

- $\alpha > 0.9$  it can be concluded that the questionnaire's reliability is very good.
- $0.9 > \alpha > 0.8$  it can be concluded that the questionnaire's reliability is good.
- $0.8 > \alpha > 0.7$  it can be concluded that questionnaire reliability is reasonable.
- $0.7 > \alpha > 0.6$  it can be concluded that questionnaire reliability is weak.
- $\alpha < 0.6$  it can be concluded that questionnaire reliability is inadmissible.

with Cronbach's Alpha test reliability is presented by:

$$\alpha = \frac{k}{k - 1} \left( 1 - \frac{\sum V_i}{V_t} \right)$$

with K = the number of questions; Vi and Vt the questions variance and total score variance respectively.

According to the result of the test (Table 4), Cronbach's alpha is higher than 0.80 almost for all groups except CSR Activities and the employees' interest in CSR activities with Cronbach's alpha equal to 0.76 and 0.69 respectively. It can lead to the conclusion that reliability of the test is good.

**Table 5.** Reliability of each group that belongs to cognizant Perception.

Groups	Item	Alpha de Cronbach	Reliability
CSR perception	20	0.84	Good
CSR Activities in the company	7	0.76	Acceptable
Efforts of the company	5	0.8	Good
Interest in CSR activities	8	0.69	Questionable

In the second stage, we collected annual data of Cognizant Technology Solutions' sustainability reports, CSR disclosure and annual accounts over a 2-years period from 2020 to 2022.

The summary of Cognizant CSR social, environmental and governance commitment 2021 is presented in Appendix 2 with examples of activities from the company CSR report in Appendix 3.

### 2.3. Description of Data Analysis

Data analysis is statistical disquisition related to the computation of a multidimensional system of experimental data that has multitudinous parameters. It involves critical analysis, interpretation of figures and numbers, and tries to find evidence behind the emergence of main findings. The check was conducted to gain the demanded numbers.

In order to assay demographic profile of the repliers there will be used descriptive statistical analysis, which will show absolute and relative frequentness. To answer the specific objects, there will be used frequency analysis tables, mean and standard deviation. Also, inferential statistics will be used, with hypothesis testing, to help with deductions to be made from the data collected.

To complete the main goal of the work, some suppositions were introduced, with different ways to validate them or not. Spearman's Measure Correlation test was used as is the most applicable test to measure the relation between the variables. To dissect the association between two qualitative variables it will be used non-parametric tests, the Chi-Square test and Student t-tests will be used to assess differences between the groups. To achieve all statistical information and to give the answers to the main objectives of study and confirm or deny the main hypothesis, some statistical ways. Table 5 emphasizes objects, exploration suppositions, and the ways which were used to produce the information.

**Table 6.** Techniques to achieve the objectives and test the hypotheses.

<b>Objectives or Research Hypotheses</b>	<b>Technique</b>
<b>O1</b> To explore and analyze the role of CSR in enhancing organizational performance while positively impacting society and the environment	Mean and Standard deviation. Frequencies
<b>O2</b> To identify if employees believe that a company should effectively communicate its CSR activities to employees.	Mean and Standard deviation. Frequencies
<b>O3</b> To examine the impact of CSR practices on stakeholders' perceptions of the company.	Mean and Standard deviation. Frequencies
<b>O4</b> To determine the degree of importance of social responsibility for the employees	Mean and Standard deviation. Frequencies
<b>O5</b> To understand which efforts and resources Cognizant Technology Solutions provide to get employees involved in social responsibility.	Mean and Standard deviation. Frequencies
<b>O6</b> To analyse the satisfaction of employees with the company's efforts	Standard deviation. Frequencies
(continue)	

**Table 6.** Techniques to achieve the objectives and test the hypotheses (continue)

<b>H1</b>	Correlation between the Independent variables: <b>Q11.</b> The company's CSR initiatives positively influence my perception of the company's ethical Values; <b>Q18.</b> The company effectively involves employees in volunteering and community service, <b>Q15.</b> I feel proud to be associated with a company that engages in socially responsible practices. <b>Q19.</b> The company's CSR initiatives positively influence my overall job satisfaction. and the dependent variable <b>Q20.</b> I am willing to actively participate in the company's CSR activities;	Linear Regression
<b>H2</b>	There is a positive relationship between employee's variable and pre-existing knowledge about social responsibility.	Chi-Square test
<b>H3</b>	There is association between the level of participation in social activities and Sociodemographic variable (Age, gender, and job position).	Chi-Square test
<b>H4</b>	There is a difference between males and females regarding perception of CSR	Student t-test

In regression, mean squares are used to determine whether terms in the model are significant and in ANOVA, mean squares are used to determine whether factors (treatments) are significant. The treatment mean square is obtained by dividing the treatment sum of squares by the degrees of freedom. The treatment mean square represents the variation between the sample means.

We assumed a 5% level of significance to corroborate the hypothesis. Based on exploration methodology, the coming section 3 will present the results. Data on the profile of the employees will be presented, descriptive analysis and hypothesis tests.

Regression analysis is a conceptually simple method to investigate functional relationships among variables (Tripepi, Jager, Dekker & Zoccali, 2008). We denote the response variable by  $Y$  and the set of predictor variables by  $X_1, X_2, \dots, X_p$  where  $P$  denotes the number of predictor variables. the true relationship between  $Y$  and  $X_1, X_2, \dots, X_p$  can be approximated by the regression model:

$$Y = f(X_1, X_2, \dots, X_p) + \varepsilon,$$

where  $\varepsilon$  is assumed to be a random error representing the discrepancy in the approximation. It accounts for the failure of the model to fit the data exactly.

The corresponding multiple linear regression model is:

$$(1.2) Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_p X_p + \varepsilon,$$

### 3. Empirical findings and analysis

#### 3.1 Characterization of the sample

Employees Profile was based on the questionnaire that was distributed through email. Table 6 presented in this page gives a summary representation of the sample that is classified based on age, gender and work department. The number of samples was 150.

According to the results presented in Table 6, it is easy to define 50% of the staff who participated in this survey were of the age less than 35 years old totaling 80 employees. The least number of people from the age group of 50+ are only 17 persons which makes 11.3% of all participants. In general, it is normally distributed for a demographic variable. Almost the same proportion of males and females participated, (53.3 % - 46.6 %) respectively. Table 6 shows different ethnic backgrounds were surveyed, with a diverse percentage. The ethnic background is from different continental. Most of the participants were from European backgrounds with 48% and 72 participants from African background the least representation with 12% and around 18 people.

**Table 7.** Profile of respondents.

<b>Variables</b>	<b>n</b>	<b>Representation (%)</b>
<b>Age</b>		
18-25	27	18
26-35	53	35.3
36-45	30	20
45-50	23	15.3
>50	17	11.3
<b>Total</b>	<b>150</b>	<b>100</b>
<b>Gender</b>		
Male	80	53.3
Female	70	46.6
<b>Total</b>	<b>150</b>	<b>100</b>
<b>Department</b>		
Operational managment	4	2.6
Team lead	14	9.3
Quality analysis and trainers	20	13.3
Prrocessing Agent	112	74.6
<b>Total</b>	<b>150</b>	<b>100</b>

(continue)

**Table 7.** Profile of respondents (continuation).

<b>Variables</b>	<b>n</b>	<b>Representation (%)</b>
<b>Ethical background</b>		
European	72	48
African	18	12
Asian	19	12.6
South American	41	27.3
<b>Total</b>	<b>150</b>	<b>100</b>

### 3.2 Descriptive analysis – variables of the model

In Table 7 we present the second part of the survey questions. The percentage of answers to each question is presented in accordance with the Likert scale from 1 to 5 points. The Mean and Standard Deviation is presented as well.

150 respondents were a minimum number for the results to be precise. The outcome was analyzed according to frequency using mean, standard deviation and correlation to test the relationship between the variables, after reaching a certain number of responses to have a reliable sample size.

**Table 8.** Data on Cognizant' Social Responsibility.

<b>Questions</b>	<b>1</b>	<b>%</b>	<b>2</b>	<b>%</b>	<b>3</b>	<b>%</b>	<b>4</b>	<b>%</b>	<b>5</b>	<b>%</b>	<b>Var</b>	<b>SD</b>
											<b>(%)</b>	
<b>1</b>	4	2.7	27	18	37	24.7	61	40.7	21	14	1.94	0.139
<b>2</b>	9	6	12	8	31	20.7	42	28	56	37.3	1.76	0.133
<b>3</b>	6	4	23	15.3	51	34	49	32.7	21	14	1.68	0.129
<b>4</b>	6	4	20	13.3	44	29.3	54	36	26	17.3	1.63	0.128
<b>5</b>	4	2.7	29	19.3	50	33.3	43	28.7	24	16	1.42	0.119
<b>6</b>	10	6.7	18	12	47	31.3	44	29.3	31	20.7	1.14	0.107
<b>7</b>	9	6	17	11.3	42	28	46	30.7	36	24	1.16	0.108
<b>8</b>	11	7.3	20	13.3	48	32	45	30	26	17.3	1.14	0.107
<b>9</b>	7	4.7	13	8.7	42	28	43	28.7	50	33.3	1.70	0.130
<b>10</b>	14	9.3	13	8.7	58	38.7	38	25.3	27	18	1.56	0.125
<b>11</b>	6	4	21	14	50	33.3	49	32.7	24	16	1.62	0.127
<b>12</b>	9	6	12	8	36	24	44	29.3	49	32.7	1.51	0.123
<b>13</b>	3	2	20	13.3	32	21.3	43	28.7	52	34.7	1.65	0.128
<b>14</b>	3	2	15	10	41	27.3	43	28.7	48	32	1.74	0.132

(continuation)

**Table 8.** Data on Cognizant' Social Responsibility (continuation).

Questions	1	%	2	%	3	%	4	%	5	%	Var (%)	SD
15	9	6	13	8.7	28	18.7	56	37.3	44	29.3	1.78	0.134
16	6	4	9	6	23	15.3	47	31.3	65	43.3	1.55	0.125
17	6	4	14	9.3	34	22.7	41	27.3	55	36.7	1.77	0.133
18	6	4	19	12.7	27	18	49	32.7	49	32.7	1.59	0.126
19	11	7.3	7	4.7	42	28	45	30	45	30	1.65	0.128
20	14	9.3	9	6	32	21.3	61	40.7	34	22.7	1.86	0.137

Note: 1-Strongly disagree; 2-Disagree; 3- Neutral; 4-Agree; 5-Strongly agree; SD-Standard Deviation

Employees responding to the CSR initiatives made by the company positively influence their perception of the company's ethical Values with 32% Strongly agree, 47.3% agree whereas 5.3% Strongly disagree and 6.7% disagree. some employees 8.7% are indifferent. The results are very good but still there could be some more efforts that should be made by the company.

Moreover, there is a clear issue concerning Q19 and Q20 which indicates that employees believe that the CSR initiatives influence their overall job satisfaction (21.66% Strongly agree) and that they should actively participate in the company's CSR activities (12.5% Strongly agree). still some employees who are uncertain about the issue with 9.3% for Q19 and 8% for Q20.

### 3.3 Research Objectives Validation

This part of the dissertation is focus on reviewing research objectives that were set in section 2.1

To answer O1: "to explore and analyse the role of CSR in enhancing organizational performance while positively impacting society and the environment" we asked Q7. The mean is 3.45% and standard deviations 0.186, which represents that 34% of employees strongly agree with the statement, 45.3% agree. which overall makes 79.3% from the whole employees participated. This result shows that employees believe and are aware that CSR plays an important role in positively impacting society and the environment.

O2: "to identify if employees believe that a company should effectively communicate its CSR activities to employees "may be achieved by the analysis of Q6, which has a mean of 3.94% and SD 0.199, so 42% of employees agree and 41.3% strongly agree which means that employees are aware of the importance of communication of CSR activities.

O3: "to examine the impact of CSR practices on stakeholders' perceptions of the company " we asked the question 14 which shows that 48.7% of employees agree and 32.7% strongly agree which is a very good result showing that for employees the company's CSR initiatives enhance its relationships with external stakeholders.

O4: "to determine the degree of importance of social responsibility for the employees ". To give answer to this objective, questions 3, 4, 7, 8 were taken into consideration. We observe that not

all employees persevere the importance of the topic with an average of 45.65% between agree and strongly agree for Q3 and Q4 and for Q7 and Q8 we have an average of 40.65% between agree and strongly agree so we can conclude that the result is very good.

O5: "To understand which efforts and resources cognizant technology solutions provide to get employees involved in social responsibility ". To give answer to this objective, the Q15, Q16 and Q18 were formulated. The results show a very high level compared to other questions with an average of 82.9% between agree and strongly agree for all the questions which explain that "Cognizant Technology Solutions" is providing good efforts to involve employees in social responsibility and that the employees are aware about it.

O6: "to analyse the satisfaction of employees with the company's efforts" we take Q15 and Q19 into consideration and we got an average of 74.65% of employees between agree and strongly agree which is a good result even if some employees (average of 9%) are undecided about their satisfaction.

### 3.4 Research Hypotheses Validation

In agreement with the explanation presented in subsection 3.3, this section will be dedicated for the results of the four research hypotheses.

The focus of this section is results of different statistical tests of research hypotheses and respective conclusions. for that, it will be assumed a 5% level of significance.

linear regression analysis will be applied to confirm the first hypothesis H1 is "Correlation between the Independent variables: **Q11**. The company's CSR initiatives positively influence my perception of the company's ethical Values; **Q18**. The company effectively involves employees in volunteering and community service; **Q15**. I feel proud to be associated with a company that engages in socially responsible practices. **Q19**. The company's CSR initiatives positively influence my overall job satisfaction; and the dependent variable **Q20**. I am willing to actively participate in the company's CSR activities with equation:

$$E_{(y)} = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \varepsilon_t$$

y: dependent variable which states that: Q20 "I am willing to actively participate in the company's CSR activities ".

$\varepsilon_t$ : error

$\beta_1$   $\beta_2$   $\beta_3$  and  $\beta_4$  are the regression coefficients

$x_1$ ,  $x_2$ ,  $x_3$  are independent variables

$x_1$ - Q11: "The company's CSR initiatives positively influence my perception of the company's ethical Values "

x2- Q15: “I feel proud to be associated with a company that engages in socially responsible practices “

x3- Q18: “The company effectively involves employees in volunteering and community service “.

x4- Q19: “The company's CSR initiatives positively influence my overall job satisfaction “.

Beta values of the regression model are presented in Table 8.

Table 8 presents data on p-value and VIF of each independent variable, which leads to concrete conclusions.

**Table 9.** Coefficients of the regression

$$E(y) = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \varepsilon_t$$

Independent Variable	Beta	p-value	VIF	Conclusion
Q11	0.180013	0.027828	5.463568	Significant
Q15	-0.047370	0.415282	3.021070	Non Significant
Q18	0.345108	0.001048	11.537622	Significant
Q19	-0.135532	0.182163	4.646899	Non Significant

Note: VIF-Variance Inflation Factor, Q11, Q15, Q18, Q19 are respectively the variables presented by questions 11,15,18 and 19 of the questionnaire booklet.

P-values of the given case tell that all the variables except question 15 and 19 are statically significant, especially Q11 and Q18. The VIF results show that for all the questions there is slightly more than 1, so as if VIF is between 1-10 there is no multicollinearity. It could be concluded that there are no multicollinearity symptoms except for question 18.

According to the presentation of the ANOVA test presented in Table 10, it could be stated that all the questions of the regression model are correlated to each other as the significance level is less than 0,001.

**Table 10.** ANOVA Test.

Model	sum of Squares	df	Mean Square	Significance value
Regression	287.53	4	71.88	<0.001
Residual	108.43	15	7.229	<0.001
<b>Total</b>	<b>395.97</b>	<b>19</b>	<b>79.109</b>	

Note: df-degree of freedom.

To confirm the second research hypothesis H2 “There is a positive relationship between employees' variable and pre-existing knowledge about social responsibility “, we used the Chi-Square test with results presented in table 11.

**Table 11.** Pre-existing knowledge on social responsibility and employee's department.

	<b>p-value</b>	<b>Conclusion</b>
work department (variable)	0.100	not Corroborated

As p-value is higher than 5% significance level, it is easy to define that there is no relation with the employees work department and pre-existing knowledge of Social Responsibility.

The next hypothesis to test is the H3 "There is association between the level of participation in social activities and sociodemographic variables (Age, gender, and job position) ". The Chi-Square test was also used. The results are presented in table 11.

**Table 12.** Association between participation rate in social activities and Age, Gender, position.

	<b>Participation rate in social activities</b>	<b>Conclusion</b>
Age	0.101	not Corroborated
Gender	0.367	not Corroborated
Work department	0.401	not Corroborated

We can conclude that the research hypothesis is not corroborating, as there is no association between all the variables (Age, Gender and Work department) and the Q20 which represent employees' interest in CSR activities.

To discuss our last hypothesis H4 "There is a difference between males and females regarding perception of CSR ", a t-test was performed. Question 1 and Question 3 of the questionnaire were tested with results in table 12.

**Table 13.** Difference between gender related with CSR employees' perception.

<b>CSR perception by employees</b>	<b>p-value</b>	<b>Conclusion</b>
pre-excising idea on Social Responsibility (Q1)	0.004	not Corroborated
check (CSR) policy of a company before working (Q3)	0.039	not Corroborated

According to these results, there is no difference between the perception of both genders, but it is possible to see that the perception of males is slightly bigger than females. Multiple comparisons are not performed because the overall test does not show significant differences across the samples, so the hypothesis is rejected.

## Conclusions, Limitations and Future Research Lines

Several studies suggest the importance of corporate Social Responsibility and how this area of study is connected to a range of topics in the management world. Nowadays, socially responsible activities are becoming the key to any successful business.

The aim of this study was generally to understand the concept of Corporate Social Responsibility, corporate sustainability, research on its history, diverse definitions and its connection to different aspects of the management in multinational corporations. We applied it based on a case study choosing Cognizant technology solution Portugal as a company for its outstanding performance and restricted policy in complying with the CSR and CS framework in the international standards. It is one of the giant international corporate companies with over 350.000 employees around the globe. It maintained an excellent reputation in CSR practices, with a significant presence in various industries. Its CSR policies and practices provide a rich source of information that can help us address our research questions regarding the impact of CSR on corporate performance.

We analyzed data from several key performance indicators reported in “Cognizant Technology Solutions” sustainability reports and annual accounts over a 2-years period: 2020-2022 and we conducted a survey to employees in order to understand and acknowledgement of some questions of the current thesis work. Overall, 150 employees participated in the survey which made to understand and know more about the topic, four hypotheses were stated then we identified which are corroborated or not corroborated. We can conclude that:

- According to the linear regression analysis, there is significant Correlation between the independent variables presented in Questions 11, 18, 19, 15 and the dependent variable represented by Question 20.
- There is no relationship between the pre-existing knowledge on the social responsibility concept and work department of the employees
- There is no difference between the genders and perception of the CSR topic
- There is no association between the level of participation in social activities and sociodemographic variables.

Finally, we can claim that the motivation must be derived from the employee itself. That means that no matter how many activities are offered by the company If someone is not interested in participating in social responsibility activities, he will not be active. So, employees have to be more open and active regarding this topic and overall, companies have to constantly improve their offerings and actions regarding social responsibility by taking more actions to get employees involved.

The main limitation of this study is its focus on managers from Portugal. This means that other perspectives, such as those from other Cognizant managers' countries, were not represented. Future research into the perceptions of these managers on the inclusion of these issues into MNC

policy would help to extend our understanding of how they perceive the use of different internationalization strategies, integrated strategies. Also, explicitly investigating the cognitive processes that managers and other stakeholders go through when issues are presented as universal would help to illuminate why these issues face few challenges in mainstream management. More research is therefore needed to investigate and to inform a management practice that is truly sensitive to the needs of local stakeholders and reflects the complexity of the CSR agenda.

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# Appendix

## Appendix 1- Questionnaire Booklet

The questionnaire aims to gather information about Cognizant's employee's perception and knowledge about CSR policies that exist on the company initiative. This information will be used to explore the knowledge and awareness of the employees on the topic of Social Responsibility, their own ideas about the importance of the CSR and its implication environmentally, socially and economically. The data will be used solely for the purposes of this thesis report anonymously and confidentially.

### Part 1: Profile of respondent

<b>Gender</b>	Male	<input type="checkbox"/>	Female	<input type="checkbox"/>					
<b>Age range</b>	[18-25]	<input type="checkbox"/>	[ 26-35]	<input type="checkbox"/>	[ 36-45]	<input type="checkbox"/>	[>50]	<input type="checkbox"/>	
<b>Work Department</b>	OM	<input type="checkbox"/>	TL	<input type="checkbox"/>	QA	<input type="checkbox"/>	TRAINER	<input type="checkbox"/>	PA <input type="checkbox"/>
<b>Ethical background</b>									

### Part 2: Data of “cognizant Technology Solutions” Social Responsibility

Please answer the following questions, choosing the answer from the list below

Q1. Employees should know about the Corporate Social Responsibility (CSR) Policy that exists in the company?

1. Strongly disagree
2. Disagree
3. Undecided
4. Agree
5. Strongly agree

Q2. Cognizant is committed to it is social responsibility

1. Strongly disagree
2. Disagree
3. Undecided
4. Agree
5. Strongly agree

Q3. Employees should check the Corporate Social Responsibility (CSR) policy of a company before you work with them?

1. Strongly disagree
2. Disagree
3. Undecided

4. Agree
5. Strongly agree

Q4. Cognizant 's CSR practice has a positive impact on financial performance?

1. Strongly disagree
2. Disagree
3. Undecided
4. Agree
5. Strongly agree

Q5. Cognizant's CSR initiatives positively impact the local community?

1. Strongly disagree
2. Disagree
3. Undecided
4. Agree
5. Strongly agree

Q6. Do you agree that a company should effectively communicate its CSR activities to employees?

1. Strongly disagree
2. Disagree
3. Undecided
4. Agree
5. Strongly agree

Q7. Do you agree Cognizant's CSR initiatives positively impact the environment?

1. Strongly disagree
2. Disagree
3. Undecided
4. Agree
5. Strongly agree

Q8. Do you agree that the company's CSR efforts contribute to a positive company image?

1. Strongly disagree
2. Disagree

3. Undecided
4. Agree
5. Strongly agree

Q9. Do you agree that the company's CSR activities align with its core values and mission?

1. Strongly disagree
2. Disagree
3. Undecided
4. Agree
5. Strongly agree

Q10. I am aware of the specific CSR projects undertaken by the company.

1. Strongly disagree
2. Disagree
3. Undecided
4. Agree
5. Strongly agree

Q11. The company's CSR initiatives positively influence my perception of the company's ethical values.

1. Strongly disagree
2. Disagree
3. Undecided
4. Agree
5. Strongly agree

Q12. The company's CSR activities have a meaningful impact on environmental sustainability.

1. Strongly disagree
2. Disagree
3. Undecided
4. Agree
5. Strongly agree

Q13. The company's commitment to CSR reflects a genuine concern for societal well-being.

1. Strongly disagree

2. Disagree
3. Undecided
4. Agree
5. Strongly agree

Q14. The company's CSR initiatives enhance its relationships with external stakeholders.

1. Strongly disagree
2. Disagree
3. Undecided
4. Agree
5. Strongly agree

Q15. I feel proud to be associated with a company that engages in socially responsible practices.

1. Strongly disagree
2. Disagree
3. Undecided
4. Agree
5. Strongly agree

Q16. The company's CSR efforts contribute to a more positive workplace culture.

1. Strongly disagree
2. Disagree
3. Undecided
4. Agree
5. Strongly agree

Q17. I believe that the company's CSR activities go beyond mere legal obligations.

1. Strongly disagree
2. Disagree
3. Undecided
4. Agree
5. Strongly agree

Q18. The company effectively involves employees in volunteering and community service.

1. Strongly disagree

2. Disagree
3. Undecided
4. Agree
5. Strongly agree

Q19. The company's CSR initiatives positively influence my overall job satisfaction.

1. Strongly disagree
2. Disagree
3. Undecided
4. Agree
5. Strongly agree

Q20. I am willing to actively participate in the company's CSR activities.

1. Strongly disagree
2. Disagree
3. Undecided
4. Agree
5. Strongly agree

**Thank you for your collaboration!**

## Appendix 2

	2021 Commitments	2022 Actions
 Social	<p><b>Diversity</b> Continue our commitment to increasing associate diversity through inclusive hiring practices and a welcoming environment</p> <p>Continue the use of a goal for directors and above to hire and retain women at the senior management level and above, as set in 2020</p>	<p><b>Progress:</b> Implemented an Executive Committee compensation metric focused on gender diversity globally (See Recruiting diverse talent for more details)</p> <p>In 2022, our gender diversity rate at the senior manager and above level grew to 17.2%</p> <p><b>Progress:</b> As of December 31, 2022, women accounted for 38.3% of our workforce globally and 39.3% within India; the number of women working at Cognizant grew by more than 11,000</p> <p><b>Progress:</b> Expanded domestic partner coverage, life insurance, mental health support, access to telehealth and support for gender transition for associates</p>
	<p><b>Talent management</b> Continue to address the skills gap between what people can do today versus expectations for the jobs of tomorrow through both internal associate training as well as facilitating volunteer opportunities for our associates to provide technology skills training to others in underrepresented communities</p>	<p><b>Progress:</b> Trained approximately 150,000 associates (over 25 million learning hours) across a variety of digital skills</p> <p><b>Progress:</b> Invested over \$23.5M globally in organizations advancing digital skills, local community support and disaster response around the world</p> <p><b>Progress:</b> 47,000 associates put their knowledge to work outside of Cognizant in 150,000 volunteer hours</p>
	2021 Commitments	2022 Actions
 Environmental	<p><b>Emissions reduction:</b> Reduce absolute emissions by 50% from the company's global operations and supply chain by 2030 and 90% by 2040 with plans to negate remaining emissions for both 2030 and 2040 goals using carbon offsets</p>	<p><b>Progress:</b> By greening our IT, we have reduced emissions associated with our IT infrastructure by 60% since 2019</p>
	<p><b>Renewable energy:</b> Source 100% of electricity needs for offices and facilities from renewable electricity sources, like solar and wind, by the end of 2026</p>	<p><b>Progress:</b> 44% of electricity consumption in offices and facilities in India, covering the majority of our global energy consumption, came from renewable sources in 2022</p>
	<p><b>Supplier climate engagement:</b> Engage top 150 suppliers (covering nearly 60% of spend) to help them set net zero emissions reduction targets<sup>2</sup></p>	<p><b>Progress:</b> 18% of our top 150 suppliers had set an emissions reduction target by the end of 2022</p> <p><b>NEW Target:</b> At least 90% of our top 150 suppliers will set an emissions reduction target by 2026</p> <p><b>Progress:</b> Offered net zero training to our top 150 suppliers. In 2023, we plan to include emissions reduction requirements in new supplier contracts</p>
	<p><b>Circularity:</b> Save 80,000 computers from landfills by the end of 2022</p>	<p><b>Progress:</b> Kept over 62,000 computers out of landfills, we remain focused on meeting our goal in 2023</p>
	<p><b>Stakeholder expectations:</b> Strive to meet our clients' expectations on major ESG rankings and ratings</p>	<p><b>Progress:</b> Annually disclose ESG-related information through several platforms including client-preferred ones like CDP (formerly Carbon Disclosure Project) and Ecovadis and regularly engage with clients on our scores</p>

	2021 Commitments	2022 Actions
 Governance	<b>Ethics and Compliance</b> Continuously update governance-related policies based on consideration of best practices	<b>Progress:</b> Updated Global Trade Compliance Policy and Environmental Health and Safety Policy  <b>Recognition:</b> Received recognition from Gartner in 2022 for risk assessment framework and use of analytics
	<b>Supply chain: Environment</b> Expand tools and outreach to engage more suppliers in setting ESG standards and best practices	<b>Progress:</b> Formalized risk-based assessment criteria to identify suppliers most at risk and subject to modern slavery due diligence process  <b>Progress:</b> Organized emissions reduction workshops for top 150 suppliers  <b>Progress:</b> Worked with our top 150 suppliers to set science-based emissions reduction targets and submit annual climate data to CDP
	<b>Supply chain: Supplier diversity</b> In 2021, we launched our formal Supplier Diversity Program in the United States to increase the diversity of our suppliers through engagement and spend targets	<b>Progress:</b> Added a requirement that every competitive sourcing event in the US that exceeds \$150,000 include a diverse supplier  <b>Progress:</b> 18% increase in total domestic spend in the US with diverse suppliers  <b>NEW Target:</b> Aspire to reach \$1 billion of annual spend in the US with diverse suppliers  <b>NEW Target:</b> Each procurement category lead to aspire to add two African American-owned and one veteran-owned supplier each quarter from Q4 2022 through the end of 2023
	<b>Data security and Data privacy</b> Continuously improve policies and practices to stay current with regulations, trends and best practices	<b>Progress:</b> Began preparations for compliance with the ISO 27011:2022 standard



The resources the counseling team offers:



**Did you know that all TL's, Jr. TL's, & Managers are Crisis Management Certified?**

In the case of an eventuality during your working hours, you can always reach out to any of them.



The committee is a combination of Agents, QA's, Trainers, TL's and Managers that have a passion to bring joy and a fun environment for the team.

**Some of our past events:**



Yellow day, PJ's night, egg Easter hunt, concerts and many more fun things to do!



» STAY TUNED FOR ALL THE UPCOMING EVENTS! «

