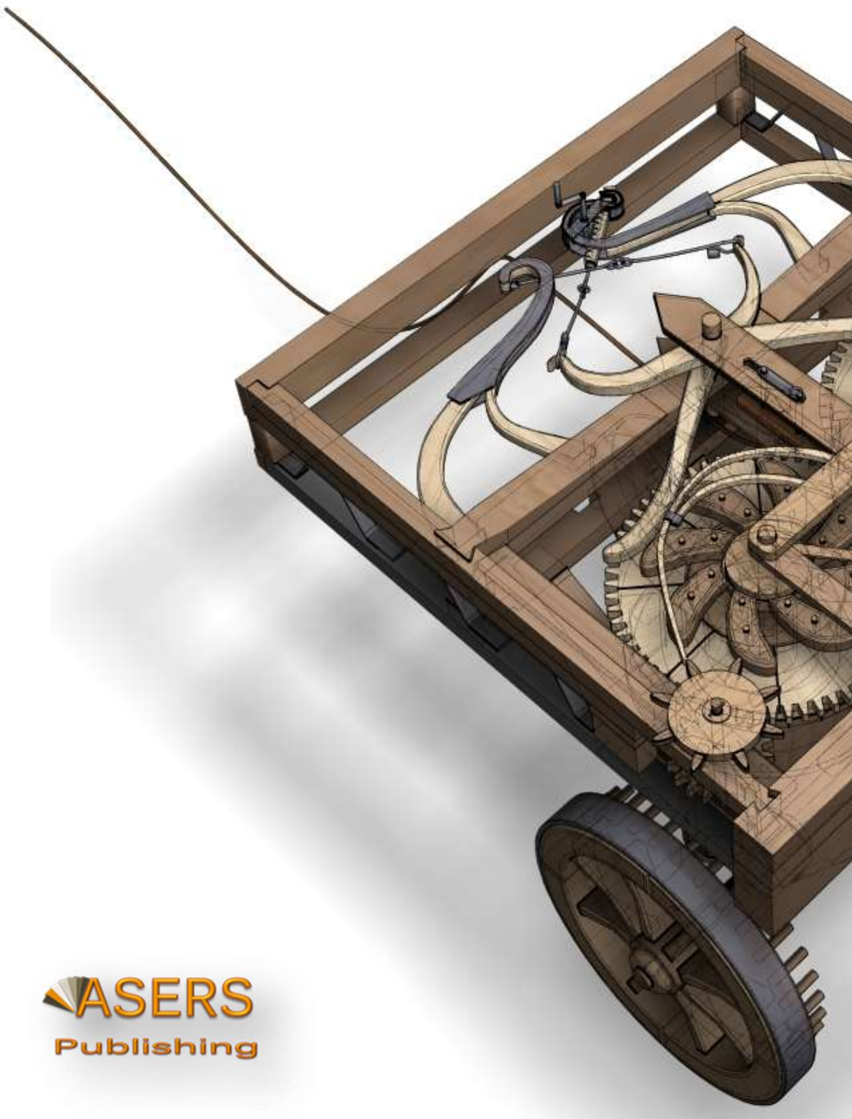
# Theoretical and Practical Research in Economic Fields



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# CSR VS. VALUE CREATION: WHAT RELATIONSHIP? AN OVERVIEW OF THE LITERATURE

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**Abstract**:

*Social and Environmental Responsibility represent nowadays an opportunity to be seized by a Companies to improve their competitive market position and to achieve their best level of performance and thereby create value. This article aims to analyze the different approaches that have demonstrated the existence of a link between CSR (Corporate Social Responsibility) and value creation, through a literature review and a conceptual framework.*

***Keywords:*** corporate social responsibility; value creation; stakeholders; measures of value creation.

**JEL Classification:** M14; A13; O00.

## Introduction

Evolving in a globalized environment where the notion of borders is only perceptible in its cartographic aspect, companies act and operate according to a transversal scheme involving a confrontation, more and more dogmatic, which associates performance, profit, and socio-environmental impact. If the concept of Corporate Social Responsibility (henceforth CSR) has taken root following a collective awareness of environmental concerns and the testing of governments' ability to manage natural disasters, this approach is now a lever for value creation and growth sine-qua-non for economic actors, especially with the advent of the Covid-19 pandemic that has put the entire global ecosystem to the test.

CSR is a relatively recent concept. It first appeared in the mid-1950s with the publication of the book "Social Responsibilities of the Businessman" written by Howard R. Bowen, but it only really developed in the 1990s. This concept, which originated because of ethical and moral concerns about the behavior of entrepreneurs, has over time become a strategic notion for companies, which are required to assume their social role towards the society to which they owe their survival.

## 1. Evolution of the CSR Concept

Nowadays CSR is an essential strategic approach necessary for companies to comply with the requirements of the current economic context and to face globalization and the various market evolutions. It is based on ethical business practices and promotes dialogue and transparency between the stakeholders of companies Kaptein, Van Tulder (2003); Tokoro (2007). It insists on increasing the qualitative economic value of companies and plays a primordial role in improving their image and reputation Tazi & Ibenrissoul (2020). In this sense, the classic status of "capitalist" companies has evolved to a more modern status, that of "responsible" companies.

Generally, responsibility can be seen as an obligation on the part of a person to answer for his or her actions by virtue of the role, the burdens that he or she must assume and to bear all the consequences[2]. This definition refers, de facto, to the environmental disaster Probo Koala, where the Dutch company responsible for this tragedy had to pay, as compensation, more than forty million dollars to the victims, following the pressure exerted by Amnesty International, which says a lot about the suitability of the process that is hardly part of the approach of value creation. Unlike the Moroccan company Maroclear, which obtained the renewal of its CSR label following the renewal of its ISO27001 certification in November 2020 and the ISO 9001 version 2015 certification in May 2021, and whose market share continues to increase.

To this end, the questioning of the causal link between value creation and CSR has been the subject of several studies and research projects, without any agreement from the scientific community. The analysis of the conclusions of existing studies reveals a certain paradox. On the one hand, there are those who acknowledge the positive repercussions of CSR on the financial performance of companies Allouche and Laroche (2005); Mikołajek-Gocejna (2016), and on the other hand, those who justify a negative or zero link Fernández-Guadaño and Sarria-Pedroza (2018), Balabanis, Phillips and Lyall (1998). There are even those who consider the link too weak or non-existent Cochran and Wood (1984), Surroca, Tribó, and Waddock (2009).

However, according to Simpson and Kohers (2002), listed companies have a competitive advantage with potential investors. The same is true for companies that integrate social responsibility into their strategies (even unlisted companies), the risk that they will perform poorly in the long term is rare.

Indeed, a company that does not manage to have a socially responsible reputation imperatively jeopardizes its profitability (in the medium and long term), hence the need for managers and shareholders to agree on the opportunity to implement a responsible strategy for value creation in order to avoid a potential loss of value. The interest, then, lies in the adaptation of a managerial spirit that works to satisfy all the economic, social and financial partners of the company, which may be called "stakeholders" Larbi and Ohanessian (2008). Without a remuneration scheme and attractive working conditions, it would be unreal to believe that a company could be capable of creating value, so it must be assiduously attentive to the market in order to satisfy the expectations of its customers at competitive prices.

According to Vatteville (2008), the acceptance of sustainable value creation in association with the company's partnership network could only lead to a rational and promising framework of analysis. The partnership and shareholder approaches are therefore not independent of each other; on the contrary, they complement each other, even if they are based on the dogmas of different cultures.

This article proposes a reading that aims to detect the causal link that stems from the relationship between CSR and value creation and will be organized as follows: sections 3 and 4 will respectively focus on a clarification of CSR and value creation based on a historical and conceptual analysis. The last section will present an analysis of the results of the different research conducted to study this issue.

[2] https://www.cnrtl.fr/definition/responsabilit%C3%A9

## 2. The Emergence of CSR in Corporate Strategy: A Historical Overview

The emergence of social and environmental challenges and their imminence with respect to the well-being of populations has raised the need for a profound change in economic paradigms that, in many respects, were subject to reflection. In this perspective, the conception of growth as it has been approached in the context of sustainable development, combines economic greed with the environmental imperative.

The transposition of the concept of sustainable development to the corporate level has been corroborated by the declination of several variables related to ethics, social and environmental, which are now suitable for measuring Corporate Social Responsibility (CSR). The development of this concept is due to the mobilization of civil society actors, with an ecological and humanitarian vocation, who demanded that companies, especially industrial companies, take responsibility for the impact of their activities on society and the environment.

Indeed, corporate social responsibility is not a recent concept. In the early 1990s, paternalistic managers provided education for their employees' children and took charge of their health care, to curb social movements with protesting policies and to anticipate any intention to make demands Peeters (2004).

This practice was amplified during the 20th century. Some companies in the United States have adopted, in their management methods, behaviors that come under the practices of CSR in a framework where the absence of public powers is almost total in their activity Schwartz and Carroll (2003). It was therefore a question of priming the best skills by presenting services which, in the European framework at that time, were provided by the public authorities. According to Mercier (2001), it was during this period that some theorists, such as Theodore Kreps and Richard Bowen, were the first to teach CSR in universities.

The book "Social Responsibilities of the Businessman" by the American Howard R. Bowen is recognized as one of the founding theoretical works on the notion of CSR Latapí Agudelo, Jóhannsdóttir and Davídsdóttir (2019). This work has a strong historical resonance on social responsibility and prefigures a series of subsequent research works. It is thanks to BOWEN that the concept of CSR emerged in the modern era of management.

From the beginning of the 1920s, most managers began to adopt a responsible discourse towards their company, which was marked by concepts with religious connotations of "trusteeship" and "public service" that implicitly state a contract characterizing the relationship between the society and the firm Acquier and Aggeri (2015). And it is only since the 1950s that formalization work has emerged by separating religion from economics and management.

Thanks to the "Business and Society" current, CSR became a research subject interested in the links between business and society Acquier and Aggeri (2015), which gradually became stronger from the 1960s onwards. Since then, CSR has been the subject of several debates between practitioners, researchers and actors of modern society throughout the world. And by the mid-1980s, research on CSR had diminished in intensity and its concept had mutated into others, such as the corporate citizenship or stakeholder approach Caroll (1999); Acquier and Aggeri (2015). However, this approach was only applicable to the American context and clashed with the economic model of the time, which advocated and prided itself on economic liberalism.

Since the mid-1990s, European companies have begun to give importance to CSR following the actions taken by civil society and its organizations against large companies that have caused environmental, societal and social harm. On the other hand, interest in the United States increased in the early 2000s following the financial scandals of its major groups (Worldcom, Xerox, Enron, Arthur Andersen...). Without a doubt, these years represent the reign of saturn for CSR both in the research work carried out and in the managerial methods used.

## 3. CSR: Conceptualization

If we take stock of corporate social responsibility (CSR) from its emergence to the present day, we can only observe a remarkable evolution and a generalized interest on the part of companies, governments, civil society and international organizations. The concept of CSR, which occupies an important and growing place in the business world, has developed from its American roots to include other economic, managerial and even political meanings. The result of this evolution is a complex concept that is not unanimously accepted and that does not spread in the same way in different geographical areas. Thus, the definitions that have been attributed to CSR are different and vary according to the authors and approaches.

It is defined by the European Commission (2001) as being the responsibility of companies with regard to the effects they have on society, that is to say "the voluntary integration of social and ecological concerns of companies in their commercial activities and their relations with their stakeholders. Being socially responsible means not only fully meeting applicable legal obligations, but also going beyond them and investing "more" in human capital, the environment and stakeholder relations" Green Book on Corporate Social Responsibility 2001.

For its part, the ISO (International Organization for Standardization) defines, following the ISO 26000 standard (2010), the social responsibility of organizations as "the responsibility of an organization with regard to the impacts of its decisions and activities on society and the environment, resulting in transparent and ethical behavior that contributes to sustainable development including the health and well-being of society. This behavior must also take into account the expectations of stakeholders and respect the laws in force. Furthermore, it must be compatible with international standards, integrated throughout the organization and implemented in its relationships.

According to these two definitions, CSR focuses on the social and environmental aspects of corporate activity and also advocates ethical business practices. In this context, it:

- Promotes dialogue and transparency between the company's stakeholders (customers, suppliers, shareholders, financial institutions, the State, the international community, etc.);
- Insists on increasing the qualitative economic value of the company (partners, reputation, ethics, information system, human capital, environmental capital, etc.) to the detriment of the quantitative economic value (turnover, cash flow, assets, etc.);
- Plays an essential role in improving their image and reputation Fombrun and Shanley (1990);
- Participates in the improvement of their managerial skills and knowledge of the company's environment and its actors Russo and Pogutz (2009).

For Friedman (1962), the social responsibility of the company is to increase its profits, D'Arcimoles and Trébucq (2003). His fundamental thesis is that the manager has an implicit contract with the shareholder to use the company's resources to increase wealth and profit. This contract constitutes his responsibility to the shareholders who do not give him the freedom to act according to his personal preferences or to invest resources in social and environmental actions. This can be seen as a breach of trust or a charitable expenditure, not a set of values to which the firm adheres.

There are many who oppose Friedman's view. According to the stakeholder theory, a company can no longer function or loses its legitimacy when the contract that exists between it and society is broken. According to Freeman and McVea (2001), it is responsible to all its stakeholders.

Mc Williams and Siegel (2001) draw their definition from studies conducted on companies practicing CSR, and according to them, it is a set of actions aimed beyond the interest of the firm, the social good. McGuire (1963), Davis (1973), define CSR as the recognition by a company of its responsibilities towards society and the taking into account of its problems that go beyond its legal and economic obligations.

Carroll A. B. (1979) did not limit the responsible company to a few possible fields of action. She defined CSR according to four types of obligations: economic (to make a profit, to produce according to quality standards...), legal (to respect regulations and laws...), ethical (to act according to the moral principles of society) and philanthropic (to act with charity and benevolence). A definition that was refined in 1991 by Wood, who defines corporate responsibility on three levels: legitimacy, public accountability and managerial discretion. Carroll and later Wood, proposed a definition that goes beyond the previously supported approaches, systematizing the results of previous research and determining the fields of analysis of CSR.

According to all these definitions and approaches mentioned above, a socially responsible company can only be defined as one that achieves its financial goals in conjunction with the interests of all its stakeholders in compliance with regulations and laws.

## 4. Implementing CSR: Stakeholder Theory

Stakeholder theory has played a crucial managerial role in the implementation and conceptualization of CSR within companies since the 1970s until the early 1980s. According to Callon, Lascoumes, Barthe (2001), the concept of stakeholders was not limited to the entrepreneurial fabric. It spread, following the rise of participatory democracy, to the whole of society.

Acquier and Aggeri (2005), have developed a model from the theory of stakeholders according to four principles:

- Stakeholders have demands on the company.
- Stakeholders do not have the same impact or level of influence on the company.
- The company can only prosper if it has the capacity to respond to the needs of influential stakeholders (responsiveness);
- Taking into account and arbitrating is the ultimate function of management to deal with the contradictory demands of stakeholders.

This research work refers to the "stakeholders project" set up within the Applied Research Center of the Wharton School in 1977, the objective of which was to bring together several currents of thought and to put in place a theory of management that would enable managers to formulate strategies in turbulent environments Freeman and Reed (1983). These approaches aim to include at the heart of their analyses, what Voguel (1978) has called "adversarial groups".

In this sense, a stakeholder can be defined according to Freeman and McVea (2001) as a set of actors whose independent collective behavior can affect the prosperity of a company. The stakeholder theory is therefore a strategic managerial tool. Its interest is important when it is linked to the objectives set by the firm.

The multitude of research works carried out, allowed the differentiation between the external and internal stakeholders of the company, and proposes to classify the stakeholders according to categorical bases:

- Internal stakeholders (employees, shareholders and unions);
- Operational partners (customers, suppliers, insurers, etc.)
- The social community (public authorities, professional unions, NGOs, civil society).

Stakeholders constitute a central element of a company's intangible capital which, as a result, represents on the one hand, an essential determinant in the development of a socially responsible company, and on the other hand, a key asset for differentiation, productivity gains and value creation.

## 5. Concept of Value Creation

The concept of the creation of value has considerably strengthened over the years to the point of being a decision-making criterion for economic operators Denglos (2003). It is in this sense that the creation of value has become an end in itself for the company which requires the activation of several levers leading to growth.

While the principle of value creation has been widely accepted as a way of assessing corporate performance, the concept is nevertheless fraught with ambiguity. Often used in reference to financial aspects, value creation in its restricted sense would mean generating profits through improved profitability and thus increasing the wealth of managers and shareholders. However, this definition remains rather limited to the scope of value creation, which has a broader managerial dimension.

In order to understand this concept, it is necessary to briefly address its different aspects. From a financial point of view, the company that wants to create value seeks to invest in projects whose rate of return exceeds that required by the risk inherent in the project. In addition to the financial aspect, value can take several forms:

Business value is similar to utility value. According to the economist Michael Porteur, value is what customers are willing to pay. It is obtained by applying a strategy of cost domination based on lower prices than the competition, or by adopting a strategy of differentiation which consists of distinguishing oneself from the competition by offering the customer what no other operator is willing to provide, following which, he will bear the extra cost without any reservation.

The book value of a company is the sum of its assets minus its liabilities. There are several procedures for valuing a company, including the asset-based, return-based and goodwill-based methods.

The indicators for measuring the performance of a company have evolved. If in the past profitability was measured, without question, by the analysis of the return on investment, nowadays, the creation of value has taken its place as the indicator par excellence, allowing to estimate the growth rate of the company. According to Jaquet (1997), it is by measuring the capacity of the company to create value that one will be able to inquire about the efficiency of its financial policy. This primordial role that the creation of value plays as a tool of evaluation of the company, makes it essential to consider it in the process of decision-making, that is to say for the choice of the investment projects.

On another note, Remaud (2001) and Albouy (1999) agree on the principle that a company only creates value when it manages to achieve a cash flow that is sufficient, on the one hand, to remunerate its investors and, on the other, to cover the sums dedicated to future investments. It is in this perspective that the financial aspect linked to the creation of value becomes an essential tool for the evaluation of a company.

There are several methods of assessing value creation. The classical indicators such as turnover, added value, reinvestment of profits, net result..., which are less and less used, have given way to more modern methods such as EVA (Economic Value Added) and MVA (Market Value Added), Jakub, Viera and Eva (2015).

## 6. Indicators for Measuring Value

The classic indicators make it possible to measure the performance of a company according to its accounting summary statements. This approach is based solely on the analysis of the company's financial indicators such as:

The added value of a company is obtained after subtracting the intermediate costs from the turnover, in other words, it is the difference between the selling price and the cost of raw materials necessary for production. Remaud (2001) links value added to the capacity of the firm to create a surplus for society, notably through its contribution to GDP. Simple to analyze, value added makes it possible to measure the wealth produced before its distribution to stakeholders, notably managers, employees, investors and the administration (the principle of sharing value added).

The net result represents the wealth created by the company. It is the total of its income minus its expenses over a defined period. According to Ben Larbi and Ohanessian (2008), this indicator, which measures the gains generated (positive net income) or the losses incurred (negative net income) by the firm, serves as a basis for capital providers to set their remuneration. It should be noted that a negative net result does not necessarily mean that the company is unable to create value, because in these cases, other criteria can be studied, such as the accounting and commercial values of the company.

There are a multitude of so-called classical indicators that can be used in the evaluation of the company, including Earnings before Interest, Taxes and Amortization (EBITA), turnover, debt, etc. However, the fluctuations in the business world have led to an innovation in the basic dogmas and the introduction of new instruments, such as the economic added value, the market added value, the free cash flow...

The accounting net profit is not sufficient as the only indicator of the value of a company, since it is a result of accounting data that does not represent the economic reality. Some analysts, such as Charreaux and Desbrieres (1998); Caby, Clerc-Girard and Koehl (1996), sought to find indicators that considered the notion of risk, results and growth and that examined the conformity of accounting data with economic reality. It was during the 1920s that the concept of "value creation" appeared in the USA. It was conceptualized according to numerous methods and by multiple researchers, namely the: Total Shareholder Value (TSR), Free Cash-Flows (FCF), Economic Value Added (EVA), Market Value Added (MVA); Obaidat (2019).

*Total Shareholder Return (TSR):*

The total shareholder return (TSR) proposed by the Boston Consulting Group (BCG, 1996-2016) is the rate of return to a shareholder taking into account the realized appreciation of the share and dividends paid for a given period Faverjon and Marion (2005),This, is because dividends do not in themselves constitute wealth for the shareholder, as long as the shareholder is only recovering a portion of his or her assets in cash.

According to the Commission des Opérations de Bourse (COB, 2001), now the AMF, the TSR is equal to the ratio between, on the one hand, the adjusted share price at the end of the period, to which the distributed dividend is added. And on the other hand, the adjusted price at the end of the previous period. It must be indicated in this case whether the TSR is calculated on a net basis (subtracting the capital gain and the dividends) or on a gross basis, and whether or not the tax point is taken into account.

*The Free Cash-Flow method*

The availability of cash flows in a company demonstrates its ability to finance itself. Therefore, the Free Cash Flow (FCF) determines the cash flows that are available after deduction of taxes. This is the excess cash flow that remains available in a company once all of its NPV (net present value of expected cash flows from an investment project) projects have been financially supported.

The FCF approach was introduced with the air of modern finance between the 1950s and 1960s under the guidance of “Modigliani F. and Miller M.” Rochmah and Ardianto (2020). Its calculation formula is as follows:

FCF = Gross Operating Surplus - Capital Investment of the period - Net Operating Income

*Economic Value Added (EVA):*

EVA is a concept that was created by the firm Stern, Stewart & Co, covering all aspects of management Jakub, Viera and Eva (2015), Faiteh and Aasri (2022).

Contrary to the classic indicators of profitability, according to Costin (2017), EVA considers the costs of achieving the desired results, which is close to the concept of performance, which implies both return on investment and cost optimization.

According to Mottis and Ponssard (2002), some companies have moved from the margin objective to the current result before tax objective and thus to the logic of the rate of return on investment (ROI) and finally to EVA. It is a performance measurement tool that takes into consideration the requirements of investors. Charreaux (1998) defines it as the difference between the cost of capital invested and the economic result after tax. Thus, the formula of the EVA according to him is the following one:

EVA = Ka. VC - CMP.VC = (Ka - CMP). VC

Ka represents the economic rate of return measured in an accounting manner (profit after tax / assets). The calculation of the Weighted Average Cost (WAC) is based on traditional methods.

Indeed, the EVA is calculated according to a complex formula, which can be summarized as follows:

EVA = Invested capital x (return on invested capital - weighted average cost of capital employed)

The EVA, according to Charreaux (1998) is a decentralized measurement key that allows to measure at all levels of a firm, the performance of an entity by requiring an individual rate of profitability that it compares to the performance achieved.

*Market Value Added (MVA)*

Market Value Added (MVA) according to Charreaux (1998) is the market value of the invested capital MV (equity and financial debts) minus the book value of the same invested capital CV.

MVA = MV (equity and debt) - CV

The creation of wealth for shareholders is now proportional to the market value added (MVA). In this case, a negative MVA shows that the value of the capital attributed by the financial markets to a company is more important than that attributed to the shares and investments, Obaidat (2019).

On the other hand, MVA has certain limitations when it is considered by a company as the ultimate indicator of its value creation, since it does not include the costs of capital invested. Unlike EVA, it cannot be measured in the different business lines of the company.

However, MVA and EVA have been the subject of several criticisms. In particular, they have been criticized for their method of calculating the cost of equity Charreau (1999). Moreover, both measures are based on theoretical foundations that presume the efficiency of financial markets, which is far from being the case for markets in less developed countries.

The methods of measuring value creation that we have presented above are not exhaustive. Other indicators are also used, including return on investment (ROI), price earnings ratio, return on equity (ROE), return on assets (ROA), the Sharpe index and many others.

## 7. The Link between CSR and Value Creation

Studying the impact of CSR on value creation is not always obvious. It is important to assess the impact of CSR on overall performance, in order to measure the extent of compatibility between the value created and the company's societal objective.

Value creation is an indicator of overall performance in its various facets, namely societal, economic and financial performance. The link between CSR and value creation, however close, is far from being unanimously accepted by researchers, particularly in terms of economic and financial performance. On the one hand, there are those who admit the existence of this link and differ on its content (positive or negative) and on the other hand, those who dispute any connection between the two concepts.

CSR has a negative impact on the company:

According to Friedman (1962 - 1970), CSR is an additional expense that the company does not have to bear, due to the fact that its only responsibility should be limited to the exploitation of its resources to make the maximum profit. Friedman's discrediting of the CSR approach is explained by what he calls the negative consequences of integrating CSR into the decision-making process, which would result in a reduced return on investment.

In the same vein, certain theses from the neoclassical school of thought support the handicap of CSR in terms of making profits, because even if a gain is made, it is less than the expenses incurred. This shortfall in terms of profitability rate is not well perceived from the shareholders' point of view. Aupperle, Carroll and Hatfield (1985), disavow CSR by arguing that the costs incurred by a company in the context of social actions (donations, environmental protection and aid to populations) diminish its wealth, and confront it with competitors who are not very socially responsible, with whom it is at a disadvantage.

Many authors adhere to this ideology, according to which financial assistance for CSR prevents the company from directing its investment choices towards more profitable projects, Balabanis, Phillips and Jonathan (1998). The same is true for some researchers who rely on financial performance indicators to justify the negative impact of CSR on the company's accounting results Griffin and Mahon (1997).

It should be noted that the research that has highlighted a negative relationship between CSR and value creation is limited (08 studies out of 127 revealing the negative aspect according to Margolis and Walsh (2003). Moreover, they have been conducted at various intervals on samples that are, for the most part, small in size.

However, another observation can be deduced from these studies, namely the non-existence of a relationship between CSR and value creation.

CSR has no impact on the company:

The separatist theory of CSR and value creation brings a neutrality between the two concepts. Thus, any link that might unite them would only be fortuitous, being the product of several intermediary variables that rule out any direct connection between these two concepts A.A. Ullmann (1985).

The multitude of mechanisms of operability of CSR and the complexity of their standardization to disparate environments (notably from a geographical, cultural and human point of view), makes causality almost absent Waddock and Graves (1997).

While several researchers, including Aupperle, Carroll and Hatfield (1985) or Balabanis, and Jonathan (1998), consider the link between CSR and value creation to be zero or even negative, others, such as Cochran and Wood (1984), describe it as weak or non-existent.

In contrast, the work of Margolis and Walsh (2003) has proven the positive impact between CSR and value creation.

CSR has a positive impact on the company:

This theory is supported by stakeholders who affirm the positive impact of CSR on the overall performance of the company and favor the integration of this approach at a strategic level with a view to increasing profitability. The impact appears directly in the behavior of customers who are more and more sensitive and attracted by socially responsible companies.

Improved financial results; 2. Reduced operating costs; 3. Improved image and reputation; 4. Increased sales and customer loyalty; 5. Productivity and quality gains; 6. Ability to attract and retain labor; 7. Relaxation of administrative control.

Freeman (1984) in turn has discussed the positive and varied impact of corporate CSR implementation and its effectiveness as a process that can meet the different needs of stakeholders.

For Waddock and Graves (1997), a socially responsible company can gain profitability (CSR contributes to value creation) as well as lose profitability (CSR can impede value creation).

On the other hand, McWilliams and Siegel (2000) & Abraber and Biyad (2019), consider CSR to act on the competitiveness of the company, allowing it to gain market shares at the expense of its competitors and to gain maximum profits.

Several studies demonstrating the beneficial contribution of CSR to value creation have been published. Allouche and Laroche (2005) cite 75 studies out of a total of 82, confirming the positive relationship, while Margolis and Walsh (2003) count 54 out of a total of 127. Moreover, the geographical contextualization of these studies is questionable, in the sense that they would have gained in consistency if they were focused on a given territory.

## Conclusion

Today, the company is more and more confronted with the different pressures of the market exerted by its employees, shareholders, customers, and legal framework. Its economic, environmental, and social performances must be defined in a way, that they converge in the same direction of the inharmonious interests of its stakeholders. It must manage its operations in such a way that it stimulates economic growth, strengthens its competitiveness and creates value, while being a responsible and environmentally friendly company.

The causal link between CSR and value creation is a problem that has been the subject of several studies, although the results of these studies have not been agreed upon within the scientific community. The analysis of these results, through this literary review, presents, on the one hand, the existence of a positive influence of CSR on the creation of value, in fact, the satisfaction of the objectives of the stakeholders by the company, favors the improvement of its economic and financial performance (Freeman 1984), and on the other hand, the perception of a fragile or even non-existent link, asserted by the companies that achieve the best social performance but record poor economic and financial results.

Notwithstanding the divergence of theories on the nature of the link between CSR and value creation, contemporary economics is increasingly oriented towards highlighting the benefits of a socially responsible approach on the performance of the firm, on the one hand, and on the global ecosystem, on the other. Moreover, theoretical analysis alone cannot confirm the tendency of economic actors to favor CSR, hence the need for an empirical study in which the impact of social and environmental responsibility would be measured and confronted with current structural, economic, political and health conditions.

The search for a global explanation of the link between corporate social responsibility and corporate finance remains a difficult, if not impossible, objective. The development of knowledge requires the recognition and identification of the multiple contingency factors affecting the interaction. The evaluation of performance remains to be done, stakeholder by stakeholder, and these are not identically sensitive to each aspect of social responsibility.

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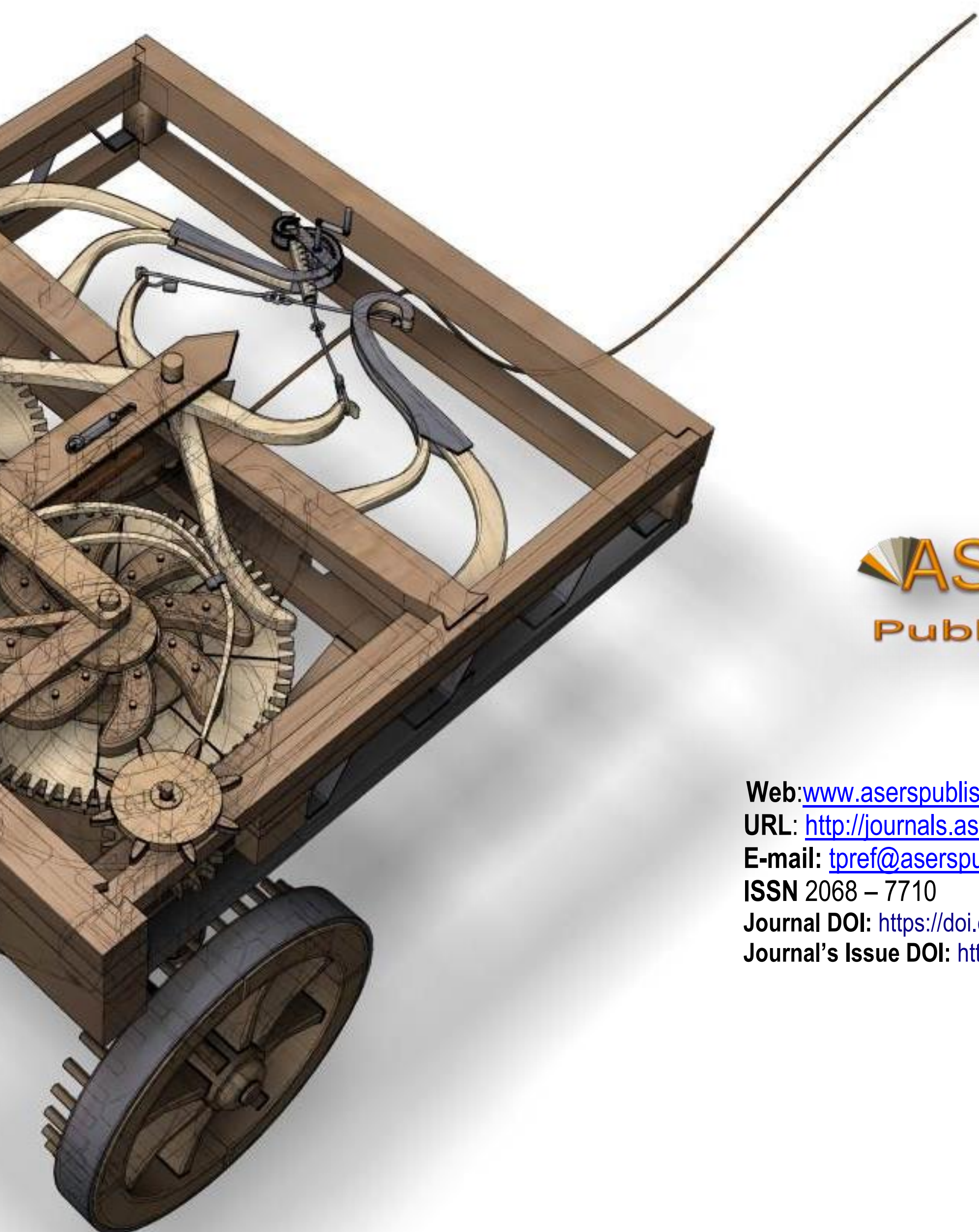

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