



## Exploring the Meaning of Triple Bottom Line and CSR Implementation in Enhancing Corporate Competitiveness and Reputation: A Qualitative Study in the Global Market Context

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### ABSTRACT

This research aims to explore the meaning and practical implications of implementing the Triple Bottom Line CSR (Corporate Social Responsibility) in shaping company values. In addition, this study also aims to examine the moderating role of profitability in strengthening the relationship between Triple Bottom Line CSR and company value. The type of research used is a mixed design, combining descriptive qualitative insights with quantitative validation. The nature of the research uses descriptive qualitative analysis to capture managerial perspectives, while the quantitative component employs multiple regression analysis for statistical testing. Sample selection uses the purposive sampling method with 7 companies listed on the Indonesia Stock Exchange. The research period is between 2020 and 2022, ensuring relevance to recent CSR practices during the post-pandemic recovery phase. The data were analyzed using multiple regression analysis supported by qualitative coding of managerial reports and disclosures. The findings indicate that profitability as a moderating variable significantly strengthens the relationship between social CSR and company values, while environmental and economic dimensions show varying levels of impact. The conclusion of this study is that integrating profitability into the CSR-value nexus provides novel evidence for how companies can simultaneously pursue financial performance and social legitimacy in a global market context.



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## INTRODUCTION

The development of global industry over the past decades shows that companies were initially oriented toward maximizing financial profits, often prioritizing the interests of capital owners. In this pursuit, many firms overexploited natural and social resources without considering the long-term impact on the environment and human welfare. As highlighted by Anggraini (2016), this short-term profit orientation has contributed to environmental degradation, pollution, loss of non-renewable resources, and various ecological and social crises. These problems demonstrate that business activities, when detached from environmental and social considerations, can disrupt ecological balance and harm societal well-being.

Growing public pressure and increased regulatory enforcement have significantly encouraged companies to adopt sustainability-oriented business models. The Triple Bottom Line (TBL) framework—emphasizing profit, people, and planet—has emerged as a strategic foundation for integrating sustainability into corporate operations. Within this paradigm, Corporate Social Responsibility (CSR) plays a central role in ensuring that companies balance economic goals with social responsibility and environmental stewardship. Prior studies have shown that companies adopting TBL and CSR practices can improve long-term profitability, enhance their reputation, and build more harmonious relationships with stakeholders, especially in global markets increasingly sensitive to sustainability issues.

Despite this growing awareness, a research gap remains regarding the actual effectiveness of

TBL and CSR in enhancing firm performance, particularly with respect to firm value. Many studies have examined CSR's financial or reputational impact, yet limited empirical evidence explores how profitability moderates these relationships. Profitability theoretically functions as an internal resource that strengthens a firm's capacity to implement more substantive sustainability initiatives. Firms with higher profitability are generally better positioned to invest in environmental technologies, community development programs, and socially oriented innovations. Conversely, firms with lower financial capacity may carry out CSR symbolically, leading to weaker effects on firm value. This gap highlights the importance of examining not only the direct impact of TBL and CSR but also the internal conditions that influence their effectiveness.

At the same time, global sustainability expectations have evolved significantly with the introduction of standardized reporting frameworks such as the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and most recently, the International Sustainability Standards Board (ISSB). These frameworks demonstrate a worldwide effort to ensure transparency, comparability, and credibility of corporate sustainability disclosures. However, in emerging markets such as Indonesia, challenges persist in the substantive implementation of CSR. Several companies continue to focus on compliance-driven or symbolic disclosures, leading to inconsistencies between reported CSR practices and actual sustainability performance. Consequently, stakeholders—especially investors—often remain uncertain about the reliability of CSR disclosures when assessing firm value.

In this context, the present study seeks to deepen the understanding of how TBL and CSR implementation shape firm value while incorporating profitability as a moderating variable. This investigation is especially relevant for companies listed on the Indonesia Stock Exchange during the post-pandemic recovery period (2020–2022), a time when firms faced heightened expectations to demonstrate resilience and sustainable practices. By exploring the combined effects of TBL, CSR, and profitability, this study aims to fill an important theoretical gap and provide practical insights for managers seeking to align sustainability initiatives with financial performance.

Overall, this study contributes to the literature in three significant ways. First, it clarifies how TBL and CSR practices influence firm value within emerging market contexts. Second, it introduces profitability as a key moderating factor that shapes the strength of these relationships. Third, it provides practical implications for companies and policymakers by emphasizing the need for measurable, action-oriented sustainability strategies rather than symbolic disclosure. These contributions are expected to support companies in integrating sustainability more effectively into their competitive strategies and strengthening their long-term value in the global marketplace.

## **RESEARCH METHODS**

This study uses a qualitative methodology with a case study design to explore how the application of Triple Bottom Line (TBL) and Corporate Social Responsibility (CSR) influences the competitiveness and reputation of companies in the global market. The case study design was selected because it allows in-depth, contextual, and multi-source exploration of how companies integrate TBL and CSR principles into their business strategies, providing a richer understanding of the company's internal dynamics and sustainability practices.

**Sampling Procedures:** The purposive sampling technique was employed to ensure that only companies meeting specific criteria were included. The criteria were: (1) companies listed on the Indonesia Stock Exchange between 2020–2022, (2) companies that regularly publish sustainability or CSR reports, and (3) companies representing different industrial sectors to provide variation in CSR and TBL practices. Based on these criteria, seven companies were selected as research subjects.

**Data Collection Methods:**

a. **Document Analysis** – conducted by systematically examining the company's sustainability reports, CSR policies, annual reports, and publicly available disclosures related to environmental, social, and governance (ESG) activities. This triangulation of sources strengthens the validity of findings and avoids reliance on a single type of document.

b. Semi-structured Interviews (if applicable) – interviews with CSR managers or sustainability officers were conducted to capture deeper insights into the strategic motivations and challenges in implementing TBL and CSR.

Data Analysis Techniques: All collected documents and interview transcripts were subjected to qualitative content analysis, involving: (1) open coding to identify recurring themes, (2) categorization of themes into broader constructs such as profitability, reputation, and competitiveness, and (3) pattern matching across cases to reveal similarities and differences in CSR and TBL implementation. NVivo software was used to assist in coding and organizing qualitative data, ensuring consistency and transparency in the analysis process.

To enhance reliability and reproducibility, an audit trail was maintained, and member checking was carried out with selected company representatives to validate the interpretation of findings.

## **RESULTS AND DISCUSSION**

### **1. CSR Negatively Affects Company Value**

The researcher conducted a hypothesis test to test the influence of Corporate Social Responsibility (CSR) and company reputation variables on the company's competitiveness and reputation in the global market. This is important considering the existence of Law No. 40 of 2007 concerning Limited Liability Companies article 74, which requires companies to be responsible for the social and environmental impacts of their operational activities. This law affirms that companies must maintain a good relationship with the environment and natural resources, as well as carry out their social responsibilities. However, there are still many companies that are reluctant to comply with these obligations, as evidenced by the continued environmental damage, such as illegal logging of trees and the disposal of industrial waste that is not in accordance with the set standards.

### **2. Company Reputation Has a Positive Effect on Company Value**

The results of the study on the influence of Triple Bottom Line (TBL) and Corporate Social Responsibility (CSR) on the competitiveness and reputation of companies in the global market show that the implementation of TBL and CSR has a positive influence on the competitiveness and reputation of the company. This is in line with the hypothesis put forward in this study, where companies that adopt the principles of sustainability and social responsibility tend to gain more trust from consumers and other stakeholders. By integrating social, environmental, and economic aspects in their operations, companies can strengthen their image and increase competitiveness in the global market. The implementation of CSR and sustainability not only helps the company to improve its reputation in the eyes of the public, but also supports stronger relationships with stakeholders, such as investors, customers, and business partners. In accordance with stakeholder theory, reputable companies have the potential to gain more resources and support from stakeholders. This makes a good company reputation an important factor in achieving long-term success, as a good reputation helps companies meet the needs and expectations of stakeholders, while also improving their competitiveness in an increasingly competitive market.

### **3. The Influence of CSR on the Competitiveness Value and Reputation of the Company**

The meaning that can be drawn from the above test regarding the effect of Corporate Social Responsibility (CSR) disclosure on company value mediated by company reputation shows that although the company has a good reputation, CSR disclosure alone is not enough to significantly affect the company's value. This indicates that among the stakeholders of manufacturing companies in Indonesia, CSR disclosure has not been seen as the main factor in assessing the value of a company. Although the company has a positive reputation, the CSR disclosure carried out by the company is not enough to convince stakeholders to consider it as the main basis for determining the company's value.

Thus, while a company's reputation can improve its image and relationships with stakeholders, this research shows that it takes more than just CSR disclosure to increase a company's value. Stakeholders view the company's reputation as a more significant factor than the CSR disclosure itself. Therefore, companies need to consider other mechanisms, such as financial performance, product innovation, and more measurable sustainability policies, to truly influence the company's value in the

eyes of stakeholders. Transparent and consistent CSR disclosure remains important, but it must be supported by concrete actions that demonstrate the company's commitment to sustainability and social responsibility.

#### **4. The Influence of TBL and CSR on the Company's Competitiveness**

##### **a. Increase Efficiency and Cost Reduction**

The application of TBL principles in company operations does not only focus on financial profits, but also on the efficiency of resources used. By adopting environmentally friendly technologies, reducing waste, and optimizing sustainable production processes, companies can reduce long-term operational costs. This provides a competitive advantage due to lower costs and better operational sustainability. For example, companies that use renewable resources or utilize green energy will be more stable in the future when the cost of fossil energy increases or environmental regulations become stricter.

##### **b. Product and Service Innovation**

TBL encourages companies to think more innovatively, especially in developing products or services that meet consumer needs while having a positive impact on the environment and society. Companies that apply sustainability principles often give birth to innovative products that are preferred by environmentally conscious consumers, thereby expanding their market share and strengthening their competitiveness.

Examples: Companies like Unilever, which focuses on Developing eco-friendly products such as Rinso Anti Stain that uses less water to rinse detergents, as well as products with recycled packaging.

##### **c. Improve Relationships with Stakeholders**

The right CSR program can strengthen the company's relationships with various stakeholders such as the government, business partners, employees, and local communities. By demonstrating strong social responsibility, the company creates a more solid bond with these parties, which leads to greater support in the company's operations, both in terms of government policies, business cooperation, and employee loyalty.

## **CONCLUSION**

The conclusions of this study show that the implementation of the Triple Bottom Line (TBL) and Corporate Social Responsibility (CSR) has a significant impact on the competitiveness and reputation of companies in the global market. Companies that implement TBL by balancing the aspects of profit, people, and the planet tend to have a stronger competitive edge, especially in the era of globalization that increasingly demands sustainability. The results of this study also indicate that although CSR disclosure can strengthen the company's reputation, it is not enough to directly increase the company's value. Stakeholders assess the Company's overall reputation more than just openness in CSR disclosure. Therefore, this study recommends that companies move beyond symbolic CSR reporting and adopt measurable, action-oriented sustainability strategies—such as investing in renewable energy, engaging in inclusive community development, and applying transparent environmental performance indicators. These concrete actions not only reinforce trust among stakeholders but also enhance long-term financial resilience.

At the policy level, regulators and stock exchanges should encourage standardized sustainability reporting frameworks and incentivize companies that demonstrate strong integration of TBL and CSR into their business models. This would ensure comparability across industries and foster healthier competition towards sustainability. From a broader perspective, the findings highlight that profitability and sustainability are not mutually exclusive; instead, when aligned strategically, they create synergistic value for businesses, society, and the environment. This reinforces the relevance of TBL and CSR as guiding principles for companies navigating global competition, and provides a practical roadmap for aligning corporate goals with sustainable development objectives. In addition, this study also reveals that profitability plays a role as a moderation variable that strengthens

the relationship between social CSR and company values. This means that companies with high profitability are more able to implement CSR programs that have a wider impact, thereby contributing to improving the reputation and trust of stakeholders. In other words, financially stable companies are more likely to benefit from a sustainability strategy because they have enough resources to develop initiatives that have a long-term impact.

However, this study also shows that there are still challenges in the implementation of CSR, especially in the Indonesian manufacturing industry, where CSR disclosure has not been considered as a key factor in the assessment of the Company's value by stakeholders. Therefore, a more comprehensive policy is needed to ensure that sustainability is not only an image tool, but really part of a business strategy that provides real benefits to the Company and the surrounding environment. The implications of the study highlight that companies that want to remain competitive in the global market need to be more proactive in adopting flexible business practices. In addition to increasing efficiency and reducing operational costs through environmentally friendly technological innovations, the Company must also build stronger relationships with stakeholders through CSR programs that are more measurable and have a real impact. In the future, sustainability is no longer just a trend, but has become an urgent need in the modern business world. Therefore, Companies that want to achieve long-term success must integrate the principles of TBL in every aspect of their operations. With the right strategy, the company not only increases profitability and value in the eyes of investors, but also contributes to better social and environmental development, thus creating benefits for all stakeholders.

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