Exploring the ESG Surge: A Systematic Review of ESG and CSR Dynamics

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Abstract

Corporate Social Responsibility (CSR) has been a focal point in academic research for years, examining its implications on corporate governance, stakeholder relationships, corporate motivation, and financial performance. While CSR traditionally aimed at ethical commercial success and stakeholder engagement, recent shifts, notably accelerated by the COVID-19 pandemic, have led to a waning interest in CSR in favor of Environmental, Social, and Governance (ESG) practices. This transition signals a broader reevaluation of corporate roles and priorities, underscored by the pandemic's disruptions. ESG, with its focus on sustainability and responsible business practices, emerges as a successor to CSR, as evidenced by increasing internet searches and corporate resource allocation towards ESG initiatives. Industry leaders, such as former Unilever CEO Paul Polman, advocate for ESG, asserting its centrality in modern responsible business practices. This article explores the evolving landscape of CSR and ESG, highlighting the conceptual relation between ESG and CSR in the transition towards purpose-oriented business models.

Keywords: *sustainability, governance, corporate social responsibility, social, environment*

JEL classification: A1, A12, A19

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1. Introduction

Corporate Social Responsibility (CSR) has been one of the most debated topics in the academic world. CSR can be a powerful tool that can foster the cooperation among companies, support their development. Also CSR looks at the different dimensions of the relationship between the business and the society (Crisan& Adi, 2016). Moreover, CSR refers to the way of getting the commercial success in an ethical manner, with respect to the people, community and environment (Bibu, N. Nastase, N, & Gligor, N. B., 2010)

However, recent years, especially after the COVID-19 pandemic, have shown that interest in CSR, especially in the private and public sectors, has begun to decline in favor of ESG. The pandemic has disrupted numerous companies in

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unprecedented ways and was, on one hand, a warning signal for corporations to rethink their roles in society, but also, on the other hand, an opportunity to reconsider their priorities and improve their relations with stakeholders (Lu & Wang, 2020). In this context, although both CSR and ESG have come from the same desire – the adoption of practices and policies by corporations that are meant to have a positive influence on the world - some voices anticipate that ESG will replace CSR (Npower Business Solutions, 2022). For instance, searches for ESG on the internet have increased fivefold since 2019 while searches for "CSR" (corporate social responsibility), an earlier focus area more indicative of corporate engagement than alterations to a core business model, have decreased (Pérez, L. et.al, 2022). Organizations of all sizes, across all industries, have been devoting greater resources to enhancing ESG (Pérez, L. et.al, 2022). ESG represents environmental, social and governance criteria and is seen as a central element of how responsible companies operate today. Many large companies are beginning to adopt ESG in favor of CSR. For example, former Unilever CEO Paul Polman – credited for helping to change the face of capitalism – has long argued that CSR alone is no longer enough in a new era of purpose-oriented business (A. Ignatius, 2021).

ESG will play a critical role in how the corporate environment is built and managed in the future; it will need to be fully integrated into the decision-making process of an organization. Now there is a growing impetus. In 2019, the Global Reporting Initiative revealed that 93% of the world's largest revenue companies are already reporting on their ESG performance. The fact that these corporations believe it is important to publish their work in this area reflects how ESG has become a subject of utmost importance for large companies and it is to be seen how this aspect is reflected in the case of corporations operating in the Romanian market.

2. Narrative literature review

Nowadays, ESG is considered vital for understanding corporate purpose, strategy and quality of corporate management and is used as a key valuation indicator for investors (Hartzmark & Sussman, 2019). Indeed, a quarter of the world's professionally managed investment funds now only invest in companies that demonstrate solid ESG credentials (GSIA, 2018). Thus, it is necessary for the academic community to explore, analyze, and come up with current research on the theoretical basis of ESG, the essence and significance of ESC, the interaction between the three dimensions of ESC; the impact of ESC on the economic consequences; the role of ESC in risk prevention and ESC (Li et al., 2021).

2.1. Conceptual delimitations

a. Academic perspective

The genesis of both corporate social responsibility (CSR) and environmental, social and governance (ESG) standards is the same - the adoption of practices and policies by corporations that are meant to have a positive influence on the world. Over the last few years, the emphasis has shifted from a purely external analysis to a more dynamic approach that focuses on both internal and external factors of an organization. Although both concepts are linked, each has its own definitive objectives and characteristics.

There are a number of significant articles that mark the evolution of CSR and ESG and the concepts associated with them (see, for example, Carroll, 1999; Montiel & Delgado-Ceballos, 2014; Sheehy, 2014). Thus, analysing the literature, we note the main definitions attributed to the ESG criteria.

The main definitions of ESG according to the academic community

Table 1

Author(s)	**Definition**
Jamali et al. (2017); Turban & Greening (1997)	ESG is defined as a company's obligation to improve social well-being; and equitable and long-term sustainable wealth for stakeholders
IFAC (2012)	ESG describe the environmental, social and governance issues that are considered to influence corporate behaviour in decisions to invest
Halbritter&Dorfleitner (2015)	ESG – a rating system that allows understanding the relationship between a company's social and financial performance
Syed (2017)	Environmental, social and governance (ESG) criteria represent a new dimension of responsible social investment (SRI). SRI is an ethical investment approach consisting of excluding certain types of industries from the portfolio on the basis of certain moral or ethical reasons.
The Harvard Law School Forum on Corporate Governance (2020).	ESG, in essence, is a means by which companies can be evaluated in relation to a wide range of socially desired goals. ESG describes a set of factors used to measure the non-financial impacts of certain investments and companies. At the same time, ESG also offers a wide range of business and investment opportunities.
Li et al. (2021)	ESG is a standard and strategy used by investors to evaluate corporate behaviour and future financial performance. In addition, environmental, social, and governance factors help to measure the sustainability and social impact of business activities
Gillan et al. (2021)	ESG refers to how corporations and investors integrate environmental and social concerns into their business models.
Mathis (2022)	Environmental, social and governance (ESG) is a term used to represent the corporate financial interests of an organization that focuses primarily on sustainable and ethical impact. Capital markets use ESG to evaluate organizations and determine future financial performance

It is difficult to demonstrate at the moment an evolution over time of the concept, surely there is a close relationship, on a conceptual level, with CSR, and as the literature evolves most likely ESG will be more easily understood and adopted by companies.

Analysing the definitions in the literature, given by the academic community, we can note the following important common aspects:

- ESG involves integrating environmental, social and governance factors into the business models of companies
- ESG measures the non-financial impact of companies and the link between economic performance and the ability to implement the ESG standard with its three criteria – environmental, social and governance
- ESG emphasizes the obligation of companies to change their vision and business philosophy by focusing on the impact of its medium and long-term activity on internal and external stakeholders, not just on profit

b. Business perspective

Terms such as environmental, social and governance (ESG) reporting and corporate social responsibility (CSR) are more often used to describe how can demonstrate their commitment to sustainability. The two terms have some overlapping meanings and are sometimes used interchangeably. With new expectations and worsening fears about sustainability, companies should know what these terms mean, how they differ and where they overlap (Lutkevich, 2022).

ESG is a quantifiable sustainability assessment. The ESG strategy focuses on achieving certain performance metrics, setting measurable targets and conducting audits. There are explicit standards around ESG. For example, rating agencies, such as S&P, create performance scores using a set of criteria. Investors use them to appreciate and ultimately motivate their investment choices. Companies create ESG reports to attract investors and other compliance requirements. ESG encourages companies to behave ethically. It also helps investors avoid losses when companies behave in a risky way (Lutkevich, 2022).

The main definitions of ESG according to the business environment

Table 2

Author(s)	Definition
Deloitte (2022)	ESG means environment, social and governance. These are called pillars in ESG frameworks and represent the 3 main areas in which companies are expected to report. The objective of ESG is to capture all the non-financial risks and opportunities inherent in the day-to-day activities of a company.
KPMG (2022); Adepoju& Obaisa-Osula (2022)	ESG (Environment, Social and Governance) refers to a framework integrating environmental, social and governance risks and opportunities within a company, a strategy to build long-term financial sustainability.

Author(s)	Definition
PwC Romania (2022)	The concept of ESG brings a change of view on the role and purpose of a commercial company. It is moving from a short-term vision, that of maximum and immediate profit, to a medium- and long-term view. We are now talking about sustainable profit and the obligation of a company to consider the impact of its activity in the medium and long term on both those directly concerned (e.g. employees) and on the environment and the community in which it operates.
E&Y (2021); Varley & Lewis (2021)	ESG is the approach that includes environmental (E), social (S) and governance (G) factors - such as climate change, health and safety and board diversity - in financial and business decisions
Gartner Finance Glossary (n.d.)	ESG refers to a collection of corporate performance assessment criteria that assess the robustness of a company's governance mechanisms and its ability to effectively manage its environmental and social impact
Holding Redlich (n.d.)	ESG is an umbrella term that represents the “environmental”, “social” and “government” aspects of commercial activities. In general, ESG can be used as a set of criteria (apart from a traditional balance sheet analysis) by investors when assessing risk in a company. Investors are increasingly aligning their investments with ESG values and leveraging companies that actively address ESG risk through high ESG standards.

Concluding the above-mentioned aspects, ESG seeks to measure the non-financial aspects and the social impact of companies' activities. According to an analysis by KPMG in 2022, corporate social responsibility (CSR) was previously the motto for sustainable business practices, but CSR is no longer enough. ESG goes beyond CSR and has become the reference term for socially responsible business because it is “measurable, quantifiable and data-driven” and implies the existence of a strategy to manage issues such as climate change, human resources, rights, inclusion, diversity and more. At the same time, here it can be debated whether it is such a big difference since the RSC has also been subject to non-financial reporting, mandatory for large companies, as well as GRI-type instruments, which show that RSC can also be measurable and quantifiable.

Both academic and business literature refer to a few key aspects when it comes to conceptualizing the term ESG, non-financial evaluation, sustainable business and ethical approach, as can be seen in the figure below:

Key Common Aspects of ESG Conceptualization in Academics and Business

Table 3

Non-financial evaluation	▪ Transparency ▪ Measurable, quantifiable criteria ▪ Information about the company's environmental impact, organizational culture, inclusion, diversity
Sustainable business	▪ Equitable and long-term sustainable wealth for stakeholders ▪ Investors integrate environmental, social and governance concerns into their business models
Ethical approach	▪ Ethical investment approach consisting of excluding certain types of industries from the portfolio on the basis of certain moral or ethical reasons ▪ Moving from a vision of maximum and immediate profit to a long-term vision that takes into account sustainable profit and social, environmental and stakeholder impact (employees)

Each ESG criterion plays an important role in the effort to increase focus on sustainable and ethical investment. It is noted that the definition of the concept of ESG in the business environment is similar to the approach of the academic community, the essential difference being that the work and research in the enterprise develop at a faster rate than the analyses and studies in the academy. However, in both environments, there is an increase in interest in research in the field, even though for the time being the focus of both is still increased on the area of economic and environmental performance and less on the social area, as can be seen from the table below.

2.2. ESG versus CSR

a. Academic perspective

One difference between the two terms is that ESG includes governance explicitly, and RSC includes governancing aspects indirectly, because it refers to environmental and social considerations. Thus, ESG tends to be a broader terminology than RSC (Gillan et al., 2021). Although the concept of RSC has been used for many years, it has not evolved into an instrument that quantitatively measures the outcome of one's performance. While RSC policy focuses on qualitative measurement, ESG (environmental, social and governance) focused on quantitative (Becker et al, 2021).

Table 4 below shows some important differences mentioned by the academic community in the literature:

ESG	CSR
Includes governance explicitly	Include governance issues indirectly
It is externally regulated, and the organization refers to a number of environmental, social and governance criteria that are very clearly established	It is self-regulated, and each organization chooses the initiatives that make the most sense to it
Initiatives are quantifiable and can be measured based on specific criteria	The impact of initiatives is more difficult to measure
It is a method by which investors can evaluate the long-term performance of companies, taking into account not only their financial performance, but also their impact on society and the environment.	The voluntary commitment of companies to take steps to reduce the negative impact on the environment and society and to improve the relationship with all stakeholders.

b. Business perspective

According to KPMG (2022.), ESG is the abbreviation for environmental, social, and governance and, therefore, focuses on the actions that a company undertakes in these areas. On the other hand, CSR is the abbreviation for Corporate Social Responsibility and can be described as a business model in which companies emphasize the impact they have on society as a whole. It also includes the environment and people in society. KPMG specialists continue their analysis, noting that both ESG and RSC are concerned about the impact that a company has on the environment and society. However, the difference is that RSC is a business model companies use, while ESG is a criterion that investors use to rate a company and whether or not they should invest in it. CSR can be considered to be more qualitative and can be embedded by communicating internally and externally that a company is committed to being more responsible.

ESG, on the other hand, is more quantitative because it is based on measurable targets, such as the Net Zero commitment on emissions, before 2030, and is centered through the new EU directives, like the Corporate Sustainability Reporting Directive, which requires organizations to report on ESG.

Comparison of ESG characteristics – CSR characteristics in the business environment

Table 5

ESG	CSR
Quantitative	Qualitative
Externally regulated	Self-regulated
Implemented through measurable objectives and auditing	Implements through organizational culture, values and brand management
Directly related to business evaluation	It is not directly related to business evaluation
It is about measuring built-in, existing responsibility	It is about building responsibility
A model used by investors to examine the sustainability of a company	A business model that affects organizational processes and organizational culture

ESG	CSR
It focuses on influencing financial performance	Focuses on the relationship with stakeholders
It can be used to do good, but also to mislead	It can be used to do good, but also to mislead

Source: adaptated after Lutkevich, 2022

One thing that stands out is that we have double ESG and RSC reporting for large companies, the key difference between the two being that non-financial sustainability reports are rather used to be communicated to all stakeholders, while ESG reporting, being much more specialized, is rather of interest to investors and regulators.

Critics of ESG and CSR

The CSR and ESG approaches can produce controversy and can have a wide range of interpretations and criticisms. Criticisms of CSR or ESG are not new. An Edelman survey, for example, that almost three out of four institutional investors do not trust companies to fulfil their declared commitments in terms of sustainability, ESG or diversity, equity and inclusion (Pérez et al., 2022). By analyzing the literature, but also the materials of analysis of the business environment, we have identified what are the main criticisms brought to CSR and ESG, aspects which are detailed below. One of the main criticisms made by both ESG and CSR is that through them companies practice “green washing” and that they do not actually have the impact they declare..

ESG and CSR criticisms

Table 6

ESG	CSR
ESG is “something good for the brand” According to a McKinsey analysis, one of the main objections to ESG criteria was that they could be presented as a kind of secondary show – a public relations movement, it represents something “good for the brand”, but not fundamental to the company’s strategy. Other critics have called ESG efforts "greenwashing". (Pérez et al., 2022)	***CSR means green washing*** Companies in developed countries are making a lot of effort to indicate how involved they are in important goals related to human rights, social issues, reducing greenhouse emissions, etc. (Gerard, 2009). The emphasis seems to be on any other objective, except for profit making. Sometimes it seems that RSC has become a marketing tool for companies that want to wash their image with the help of environmental actions, and the essential ideology of RSC is forgotten (Gerard, 2009).
It focuses only on numbers Another criticism from ESG is that this framework focuses only on the numerical and quantitative side of company	***RSC is used to grow the business and improve the image among stakeholders,*** It is seen as a tool by which the company can key business goals, and yet, at the same

ESG	CSR
performance and does not measure non-financial attributes. (Halbriter &Gregor, 2015).	time, to lighten the business image or to divert the attention of "errors" elsewhere. (Gerard, 2018).
There is a gap between suction and practice There is undoubtedly a gap among wishing and delivery. Increasing "Net Zero" carbon commitments is necessary, but clearly insufficient – so far – to put the world on a path towards a stable climate that can sustain a healthy economy. The same applies to companies trying to protect biodiversity and the oceans. Cramer (n.d.)	***Promotion of RSC projects gives the impression that all companies are engaged in RSC project*** The media creates the impression that most are seriously engaged in CSR-related activities, while the reality is quite different. This problem has been discussed by Freitag (2008), Mullerat (2009), Aras & Crowther (2010) and others. More specifically, the authors state that the increased level of coverage of CSR issues by different types of media tends to form an impression that all companies are active in it. However, according to Mullerat (2009), mainly large multinational corporations engage in CSR practices, and CSR problems remain neglected by many medium-sized and smaller enterprises.
ESG is not helping E,S,G Quinn (2023) states that there is doubt that products and funds that adhere to high ESG standards are effective in promoting the social and environmental goals that the ESG movement supports. A 2021 study by researchers at Columbia University and the London School of Economics examined companies from 147 ESG fund portfolios and 2,428 non-ESG funds portfols. The study found that companies in ESG portfolios actually had worse work and environmental records than companies in the non-ESG portfolio. ESG scores correlated with the amount of voluntary ESG disclosures, but not with actual compliance records or carbon emissions, suggesting that could essentially improve their scores simply by making additional disclosure, rather than improving environmental, social or governance initiatives. Another analysis by the European Institute for Corporate Governance (ECGI) in 2020 found no improvement in ESG scores or results for portfolio companies owned by US institutional investors who have signed the United Nations Principles of Responsible	***The CSR activities promoted by some companies contradict their real business practices and trends in their.*** Mullerat (2009) and Fernando (2011) mention cases where multinational corporations address issues of equality in the workplace and equitable working conditions for employees at their own premises, but at the same time, the same companies are actively involved in outsourcing some of their business processes to a number of developing countries where equality at work and working conditions at factories are not ensured.

ESG	CSR
Investment. The signatories have not fulfilled their ESG commitments for a variety of reasons, including financial concerns, concerns about trust obligations to investors, declining market maturity and other factors.	
ESG is so vague and extensive that it makes no sense The concept is simply too amorphous and wide to make sense. Because ESG can encompass so many different considerations (some of which may actually disagree with each other) - each of them entitles itself to multiple interpretations - the concept resists uniform standards and responsibility and, in the end, can be applied anyway Quinn wishes (2023). The same author wondered how we should accumulate information involving tens, hundreds, or even thousands of disparate variables related to E, S, and G into a smaller number of variables that have a significant impact on corporate behavior and performance. He goes on to say that depending on who carries out the analysis, the values used for ESG analysis can include both qualitative and quantitative factors, along with as diverse considerations as economic performance, employee training and education, safety incidents, wage ratio, lobbying activities and how much waste companies produce. ESG critics complain that it fails to provide a uniform grid to select, measure and then classify these factors or to address the inevitable compromises it presents.	***Increases the influence of corporations in society due to the programmes of RSC*** Mullerat (2009) and Tolhurst et al. (2010) state that enterprises would be in position to exercise a significant level of influence on the various aspects of society, caused by their active involvement in RSC. The above authors warn that influence could also be used for other unethical or even illegal purposes.

In conclusion, the main criticisms of both ESG and CSR relate to the fact that they are “forms without background” and are used as tools of communication and image-washing for companies, rather than as pillars of responsibility and real impact in the community. Another point mentioned is that neither ESG nor CSR represents a natural desire of companies, since their purpose is to make profit. In addition, ESG is considered quite difficult to put into practice because it is too vague, and that the figures can be influenced and presented in a better light than they are in reality. At the same time, CSR is considered to be used as a lobbying tool and can greatly increase corporate influence in society.

In principle, it is important to consider the reasons behind the adoption of ESG and CSR and to examine their effects on companies and society. Even if there are criticisms of these approaches, we should encourage companies to engage in more community-responsible practices, to help protect the environment and improve the social state.

3. Methodology

The paper presents a bibliometric analysis or statistical bibliography, as it was first named in 1922 by Wyndham Hulme (2015). Indexed papers were used in the Web of Science database. We have chosen this database because it is one of the most relevant databases and summarizes reference works dealing with ESG themes. With the help of this analysis, we will identify the main directions of research that encompass the most important trends to be studied and the level of expansion of the literature that deals with the impact of ESG on human resources. Therefore, in the research process, the works dealing with the conceptual delimitation of ESG and RSC, the differences between them and how ESG influences the human resource were taken into account.

For this research, we have used the VOSviewer program, which can be used in academic research to generate, define and visualize bibliometric networks. These networks include authors, journals, institutions and individual publications. According to the creators of this software program Van Eck and Waltman (2010, 2011, 2020, 2021), VOSviewer is an extremely useful tool when it comes to shaping relevant and application research. The reason we have resorted to this research method is based on the advantages of the use of technology and is a recognised method in the academic field and the bibliometric analysis software allows us to have a relevant and comprehensive overview of the contribution of researchers in this field (Donthu et al., 2021; Janik, Ryszko & Szafraniec, 2020, 2021).

a. Definition of research methodology

The analyzed data, which is the basis of this study, have been downloaded from the papers indexed in the Web of Science database. Before extracting the databases we started the research process based on the coordinates defined in the search engines presented in Table X. The data was retrieved on February 15, 2023, from the Web of Science (WoS) core collection, the world's leading scientific quotation and analytical information search platform. (Li et al., 2018). The retrieval model was through an advanced search function, the field tag used was Topic (TS), no document type limitation was included to ensure as much coverage as possible for an emerging research topic. Since the purpose of the analysis was to retrieve documents linking all three key concepts, the Boolean "and" operator was used. The search was based on the use of the concepts “ESG” “impact” „CSR”. These search terms were searched in abstracts, keywords and titles in the WoS indexed databases. Initially a search was carried out for ESG, impact and employees, but the number of results was very low, which is why the search was expanded and the keywords ESG and impact, as well as ESG & CSR were used to see the correlations between the two.

WoS Search Database Methodology

Table 7

Search Terms	**“ESG CSR*” “ESG IMPACT*”**
Database	WoS
Field	All fields
Type of Time	All
Time	2018-2023
Used Software	VOSviewer 1.6.18
Analysis	Coincidence

As far as the time horizon is concerned, we have chosen to select the publications of the last 5 years, ESG being a new area, about which more has been written in recent years. This time horizon is relevant to the definition of my research because the focus of the paper is on ESG, not on CSR, and specialized literature began to develop on this subject only in recent years. The main objective of this analysis is to the most refined results and through the analysis of the two databases we have a solid basis in terms of the accuracy of the analysis. Last but not least, management strategies in the banking sector are a complex concept with many nuances, which is why this analysis must be carried out in such a way that it includes all the elements that have been at the base of the refinement of the banks sector from the beginning of the pandemic to the present.

b. Data collection for research definition

The search described above yielded a total of 1029 articles on Web of Science (WoS). When analyzed in VOSviewer using the full counting method for simultaneous appearance of terms in the title and summaries, a total of 14 terms were revealed, as shown in the table below.

Topics most discussed in the literature

Table 8

Selected	Keyword	Occurrences	Total link strength
✓	corporate social-responsibility	17	51
✓	impact	16	45
✓	financial performance	12	41
✓	esg	20	39
✓	governance	10	31
✓	csr	7	29
✓	sustainability	9	26
✓	cost	8	23
✓	disclosure	5	22
✓	performance	14	21
✓	social-responsibility	7	18
✓	risk	6	16
✓	corporate governance	6	15
✓	environmental	5	11

The search in the two databases using the terms “ESG impact” resulted in the identification of 1029 works indexed in WoS database, while for the terms ESG impact employees the search results in 43 articles.

From the WoS database, the identified works were exported in Excel (CSV) format based on the quoted information, abstract and keywords. The next step was to prepare the databases for analysis with VOSviewer.

As for the WoS database, the database was exported in plain text format by including: author, title, source and abstract.

c. Loading the database into the bibliometric analysis software

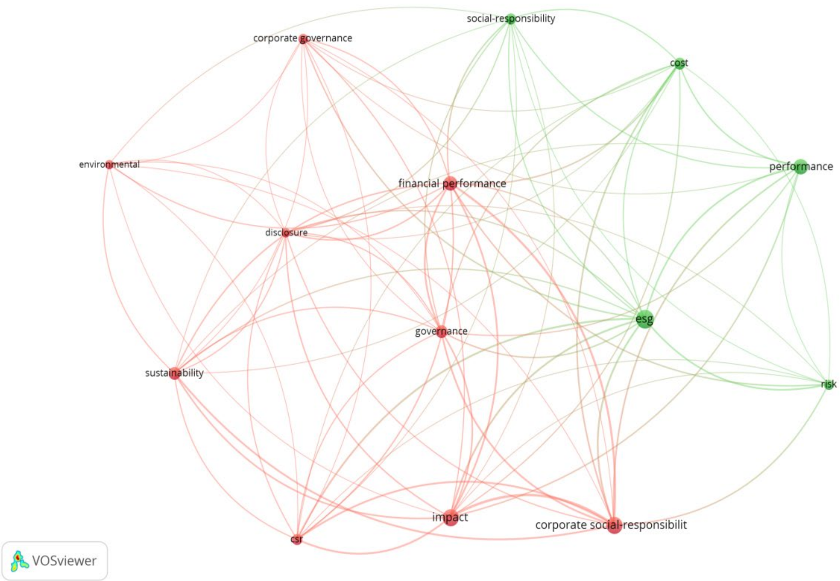
The VOSviewer version 1.6.17 program allows us to implement a variety of routes, and for this work we have chosen a coincidence analysis of keywords. In this way we will identify the most frequently studied topics when talking about the impact of ESG in terms of human resources. The reason behind the choice of this research method is that such an analysis reveals the keywords that are most often mentioned in the analysed papers.

In this context, a final step of data cleaning is needed, this time targeting the terms (Van Eck & Waltman, 2020). We therefore excluded all terms relating to research methodologies or very general terms that were not relevant to current research. This step is important for this study and will give us access to correlations, new and complex trends in the literature. In addition, in order to ensure a more concrete analysis, similar terms have been harmonised in the broader concept to which they belong.

4. Research results and interpretation of the results

After the study of literature, of course, with the limitations of rigour, we can say that there is an increased interest in the topic among Asian authors, but the most influential works are those in the United States and Western Europe where there is a large number of authors interested in the subject, and the framework has been taken over for longer than the rest of the countries.

The findings from the consultation of the works indexed in the WoS database will be presented on the following pages. For the implementation of the WoS bibliometric analysis we determined the clusters and the distribution of terms, and the name of each cluster in particular was determined by the highest score in terms of the frequency of the respective term so we have two cluster identified and the following structure:



Keyword Matching Map - Web of Science Database

Cluster 1 WoS

Table 9

Keywords	Cluster	Links	Total Link Strength	Occurences
Corporate governance	**Corporate governance**	**11**	**15**	**6**
Corporate social responsibility		**12**	**51**	**17**
RSC		**12**	**29**	**7**
Disclosure		**12**	**22**	**5**
Environmental		**9**	**11**	**5**
Financial performance		**12**	**41**	**12**
Governance		**12**	**31**	**10**
Impact		**13**	**45**	**16**
Sustainability		**12**	**26**	**9**

At the core of cluster 1 are the keywords corporate governance and corporate social responsibility, which are naturally concepts strongly connected with the ESG framework. Sustainability is the umbrella under which both terms fall and to which they contribute. ESG and RSC are both ways that companies can demonstrate their commitment to sustainable business practices. RSC can be seen as an idealistic, overall view of sustainability, and ESG is a practical, detail-oriented view on sustainability. Although the two concepts are clearly delimited, there is a close link between them. At the same time, corporate governance is closely linked to both CSR and ESG, at least on a conceptual level, because in ESG it is also specifically included and measured. Good corporate governance improves public confidence in its corporate leaders. Legislative processes have been designed to protect societies from known threats and to prevent the emergence or recurrence of problems. Corporations are exerting increasing pressure on themselves to improve best practices for corporate governance with the aim of improving their relationships with stakeholders. The biggest motivation for corporations to focus increasingly on sustainability is that it ultimately improves their ability to thrive (Diligent, 2022)

Companies must be first in terms of ESG and CSR. Shareholder activism, a move towards public responsibility on all aspects of sustainability (an expectation for companies to publish ESG disclosures, for example), has moved the relationship between corporate governance and social responsibility, sustainability and society issues above the agenda (Diligent, 2022).

Cluster 2 – WoS

Table 10

Keywords	Cluster	Links	Total Link Strength	Occurences
Cost	**Cost**	**12**	**39**	**20**
ESG				
Performance		**9**	**21**	**14**
Risk		**9**	**16**	**6**
Social-responsibility		**11**	**18**	**7**

With regard to Cluster 2, we can see that performance, risk and cost are the topics most discussed in connection with the subject of ESG. This aspect is not at all surprising in the context that many studies have focused on the relationship between companies with strong environmental, social and governance (ESG) characteristics and corporate financial performance. At the same time, many studies (Heinkel et al., 2001; Roberts & Whited, 2013; Chava, 2014); Hvidkjaer, 2017; Gieseet al., 2019; Amel-Zadeh & Serafeim, 2018; Matos 2020; Van Duuren et al., 2016; Landier & Lovo, 2020 refer to ESG and responsible investment. While most investors are increasingly concerned about integrating environmental, social and governance (ESG) criteria when building their portfolios, it is important to recognize that there are competing motivations to do so. On the one hand, integrating ESG criteria reduces non-financial risks such as reputation, political and regulatory risks. Companies that do not take ESG criteria into account are exposed to risks of consumer boycott, environmental disasters or reputation scandals. Other reasons include aligning portfolios to investor values and rules, achieving a social impact by pushing companies to act responsibly, reducing exposure to the risks faced by those facing ESGs, such as climate or litigation risk, and generating performance by favouring the ESG leaders.

While promoters of ESG investments often argue that this type of investment strategy makes it possible to better performance with less risk, the situation is not so simple either theoretically or empirically. Searching for better performance should not be the only reason for ESG investments. We argue that ESG strategies should be evaluated for the unique benefits they can offer, such as positive impact on the environment or society, rather than being promoted on the basis of questionable claims about their performance potential (EDHEC Risk Climate Impact Institute, 2023)

The results of this research highlight the importance of the ESG framework, RSC in relation to human resources. The keywords identified as a result of the research show that for the time being the focus is on the approach related to the subject of ESG on cost, performance and there is a strong conceptual link between ESG and RSC. At the same time, the results of this research show us that ESG is a topic just at the beginning of both academic and business debate, but the interest in it is constantly growing, and companies can no longer ignore too much this framework that shows us how companies conduct their business activities taking into account environmental, social and business governance criteria. According to a PwC analysis (2022) in the absence of an appropriate ESG strategy companies can face reduced investment and financing opportunities, successful conclusion of a transaction, loss of customers or even cases of liability at the level of management of the company. According to a survey conducted by PwC Romania in 2022, only 30% of respondents say they have implemented ESG policies/sustainability standards, and two-thirds (63%) indicate that they are familiar with them to a small extent. Asked whether the organizations they work for will include tax-related standards in the ESG strategy, 26% of respondents said yes, 5% said no and 68% said that it is not the case/ do not know or are not aware of the implementation of such a strategy. Therefore, there is room for growth and companies will have to learn how to take into account and integrate ESG criteria in their business strategy if they want to be competitive both commercially and in the labour market.

Implications resulting from the research of the specialty literature derive from the main topics (corporate governance, financial performance) and show that rather companies do not have a vision to integrate ESG, but rather focus on punctual actions to help them meet the fulfilment of ESG criteria.

With regard to the direction of future research, a conceptual map can be defined that takes into account the in-depth understanding of the phenomena investigated and the concepts identified with the help of the concept maps in this report. The conceptual maps presented in this report represent a research point for the second phase, a qualitative research based on in-depth interviews with experts and opinion leaders in the field.

5. Conclusions and limits of the study

This report, based on the study of the literature, aims to conduct a research that highlights the relationship between CSR and ESG. We analyzed the two concepts, the differences between them and the link between them. At the same time, the initial results resulting from the study of the specialty literature were refined with the help of an analysis that we carried out using the VOSviewer program.

The results show us the importance of the ESG approach not only for financial, non-financial performance, but also for employee motivation and the image of companies in the community. Furthermore, with the help of keyword coincidence maps we presented the distribution of the concepts dealt with in the literature indexed in the WoS database. In this way we highlighted the main directions of current research and future directions indicated by the authors in order to have an overview as relevant as regards the evolution of ESG and their link with CSR. The research reveals that there are also criticisms of ESG principles and presents the main aspects mentioned in connection with this topic. The study presented, of course, also has limits brought by the nature of the research, the small number of papers and the fact that it was used only Wos since the number of works in smaller journals that are not indexed in these databases. Another limitation of this report may be brought into question by the novelty of the topic and the literature that is constantly developing.

ESG will play a critical role in how the corporate environment is built and managed in the future, it will need to be fully integrated into the decision-making process of an organization. Now there is a growing impetus. The Global Reporting Initiative (2019) revealed that 93% of the world's largest revenue companies are already reporting on their ESG performance. The fact that these corporations believe it is important to publish their work in this area reflects how ESG has become a subject of utmost importance for large companies and it is to be seen how this aspect is reflected in the case of corporations operating in the Romanian market.

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