# Chapter 14 Exploring the Role of Leaders in CSR in Sustainable Enterprises: A Case Study in Georgia

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### **ABSTRACT**

This research examines the integration of Corporate Social Responsibility (CSR) in Georgian companies, focusing on leadership styles, challenges, and benefits. A survey of respondents from various sectors revealed that 67% believe their leaders

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somewhat demonstrate transformational leadership traits, essential for promoting CSR. The most significant challenge, cited by 59% of respondents, was financial resource limitations. While 44% view CSR as vital to long-term business sustainability, many companies need help strategically integrating CSR principles. Employee welfare and community development were the most prioritized CSR activities. The findings suggest that transformational leadership is critical to overcoming obstacles and improving CSR effectiveness. However, companies must address financial constraints and further integrate CSR into their core strategies to advance CSR in Georgia. Strengthening these areas could lead to greater societal and environmental contributions and business success.

### INTRODUCTION

In recent years, Corporate Social Responsibility (CSR) has emerged as a critical imperative for businesses worldwide, reflecting the growing recognition of the interconnection between business success and societal well-being. Modern organizations face numerous economic, social, and environmental challenges. Consumers, partners, and investors increasingly pay attention to integrating ethical, social, and ecological values into corporate activities. Failure to meet these expectations can result in reputational damage, loss of trust, and negative financial impacts. Maintaining and strengthening a company's reputation is only possible today with active Corporate Social Responsibility (CSR) involvement. CSR represents a more holistic approach where companies strive to reduce their environmental impact, improve working conditions, and positively contribute to society. This approach enables organizations to create a positive image, attract investors, and protect natural resources for future generations.

CSR helps companies achieve financial goals and fulfill obligations toward society and the environment. As companies face increasing pressure to address environmental, social, and governance (ESG) issues, leadership's role in guiding CSR initiatives has become crucial. In an era characterized by volatility, uncertainty, complexity, and ambiguity (VUCA), businesses face numerous challenges threatening their long-term viability. Embracing CSR can enhance an organization's resilience by mitigating risks, fostering innovation, and building stronger stakeholder relationships. Leadership is pivotal in embedding CSR into organizational culture, aligning business strategies with societal needs, and inspiring employees to contribute to positive social and environmental outcomes. One leadership style that stands out in this context is transformational leadership. Transformational leaders inspire and motivate their employees by forming a vision beyond financial goals and encompassing broader societal and ethical responsibilities.

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