

Research Article

# Perception of Chartered Accountants on the Role of CSR in Enhancing Company Goodwill

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**Abstract:** Corporate Social Responsibility (CSR) has emerged as a critical factor influencing the reputation and long-term success of organizations in today's competitive business environment. This study aims to examine the perception of Chartered Accountants regarding the role of CSR in enhancing the goodwill of companies. Given their professional expertise in financial management, auditing, and corporate governance, Chartered Accountants hold a unique perspective on how CSR initiatives contribute to stakeholder trust, ethical business practices, and brand value. A sample of 179 Chartered Accountants from Ahmedabad city was surveyed using a structured questionnaire based on a Likert scale to capture their perceptions. The findings reveal a strong consensus among respondents that CSR initiatives significantly enhance the overall reputation of companies. Chartered Accountants perceive that companies engaging actively in CSR are considered more trustworthy by stakeholders, thereby strengthening their credibility in the market. Moreover, the study indicates that CSR activities contribute substantially to long-term goodwill and the enhancement of brand value, highlighting CSR as not just a legal or ethical obligation but also a strategic tool for sustainable organizational growth. The research underscores the role of Chartered Accountants in guiding and monitoring CSR practices to ensure transparency, accountability, and alignment with corporate objectives. Overall, the study establishes a clear link between CSR practices and corporate goodwill, emphasizing that socially responsible initiatives are integral to building stakeholder confidence and promoting ethical corporate behavior. The insights from Chartered Accountants offer valuable guidance for organizations seeking to design effective CSR strategies that enhance reputation, trust, and long-term value creation.

**Keywords:** Corporate Social Responsibility, Chartered Accountants, Corporate Goodwill, Stakeholder Trust, Reputation, CSR Perception, Brand Value.

## INTRODUCTION

Corporate Social Responsibility (CSR) in India has evolved significantly over the past few decades, transitioning from a voluntary philanthropic activity to a structured, legally mandated practice (Ghuliani, 2013). Historically, Indian businesses engaged in charitable acts primarily out of ethical considerations, social values, or cultural traditions. Large family-owned enterprises often contributed to education, healthcare, and community development initiatives, reflecting a long-standing tradition of business ethics intertwined with social responsibility. However, these initiatives were largely discretionary, without formal frameworks or reporting mechanisms, and their impact on corporate reputation or goodwill was often indirect and anecdotal.

The introduction of the Companies Act, 2013 marked a transformative phase for CSR in India (Jaysawal, 2015). Section 135 of the Act mandated that companies meeting specific financial criteria allocate a minimum percentage of their profits to CSR activities. This legal framework formalized CSR practices and emphasized transparency, accountability, and measurable impact. Companies are now required to identify relevant social projects, disclose CSR policies in their annual reports, and report on the outcomes

of these initiatives. The regulatory mandate has not only institutionalized CSR but also positioned it as a strategic tool for companies to enhance stakeholder trust and public perception.

Corporate goodwill, defined as the intangible value associated with a company's reputation, customer loyalty, ethical practices, and societal contribution, is closely linked with CSR initiatives. Effective CSR activities can significantly enhance goodwill by demonstrating that a company is socially responsible, ethical, and committed to sustainable development. Positive public perception of a company's social initiatives can strengthen brand reputation, improve customer loyalty, attract and retain talent, and foster investor confidence. Conversely, neglecting CSR obligations or engaging in unethical practices can erode goodwill and expose the company to reputational risks.

In the Indian context, CSR has increasingly become a differentiating factor in competitive markets (Arora, 2004). Companies that actively engage in social welfare projects, environmental sustainability programs, and community development initiatives are often perceived as more responsible and trustworthy. This perception contributes

directly to the goodwill of the company, as stakeholders increasingly evaluate businesses not only on financial performance but also on social impact and ethical behavior. Chartered Accountants, as financial advisors and auditors, play a critical role in ensuring that CSR initiatives are properly implemented, monitored, and reported, thereby reinforcing the credibility and transparency that underpin corporate goodwill.

Furthermore, CSR in India today is not limited to philanthropy; it is integrated into business strategy, risk management, and long-term value creation (Hole, 2019). Companies are recognizing that sustainable growth depends on the well-being of society and the environment. This alignment between corporate objectives and societal needs enhances goodwill by signaling to stakeholders that the company is committed to ethical practices and sustainable development. In essence, CSR has become a strategic instrument that links corporate responsibility with tangible business advantages, particularly the strengthening of reputation and goodwill in the Indian business landscape.

## LITERATURE REVIEW

Deshmukh, Joseph, and Sahu (2019) concluded that CSR has evolved from a voluntary practice to a strategic business approach. Their study highlighted that CSR initiatives improve customer satisfaction, employee retention, and investor confidence. These factors collectively enhance a company's goodwill by demonstrating its commitment to ethical conduct and sustainable development, making it more attractive to stakeholders.

Enhesa (2019) reported that companies implementing sustainability programs gain measurable positive impacts from consumer goodwill. The study found that consumers increasingly consider corporate values in their purchasing decisions, and companies that prioritize CSR are rewarded with loyalty and advocacy. This shift in consumer behavior underscores CSR's role in building long-term brand equity and goodwill.

Hunjra et al. (2020) reported that CSR activities contribute to societal welfare and improve a company's market value and image. Their findings revealed that CSR enhances customer satisfaction and loyalty, which in turn boosts the company's reputation and goodwill. They argued that CSR should be integrated into core business strategies to maximize its impact on stakeholder perception and long-term brand equity.

Islam et al. (2021) confirmed that CSR initiatives are positively associated with corporate reputation, customer satisfaction, and trust. Their research showed that companies engaging in socially responsible practices are perceived as more credible and ethical, which leads to stronger emotional connections with consumers. This emotional bond translates into goodwill, as customers are more likely to support and advocate for brands that align with their values.

Pallathadka and Pallathadka (2022) found that effective

communication of CSR initiatives significantly enhances stakeholder generosity and company goodwill. Their study emphasized that transparency, consistency, and engagement in CSR activities—especially when communicated through digital platforms—build trust and reinforce a company's ethical image. They concluded that CSR is not merely a philanthropic gesture but a strategic tool for cultivating long-term stakeholder relationships and brand loyalty, which directly contributes to corporate goodwill.

Goyal and Sharma (2024) demonstrated that CSR initiatives positively influence brand reputation and consumer behavior across diverse cultural contexts. Their research showed that consumers are more likely to engage with and remain loyal to companies that demonstrate social responsibility. They emphasized that CSR fosters positive consumer engagement, which enhances goodwill and strengthens the emotional value of the brand.

Dave (2024) emphasized that CSR, when genuinely integrated into business strategy, significantly improves brand perception and customer loyalty. His study found that consumers are increasingly evaluating companies based on their social and environmental impact. CSR initiatives that reflect authenticity and long-term commitment are more effective in building goodwill and fostering brand advocacy.

FasterCapital (2025) highlighted that CSR initiatives build trust and credibility among stakeholders, directly enhancing brand reputation and customer loyalty. The report emphasized that aligning corporate values with societal expectations creates a sense of shared purpose, which is essential for cultivating goodwill. It also noted that CSR helps companies differentiate themselves in competitive markets by showcasing their ethical commitments.

Raja and Haque (2025) found that CSR practices shape consumer trust, loyalty, and purchase decisions by aligning ethical, environmental, and social responsibility with consumer expectations. Their research indicated that companies that actively engage in CSR are perceived as more trustworthy and socially conscious, which enhances their reputation and goodwill in the eyes of the public.

Prativindhya and Goel (2025) showed that CSR initiatives influence consumer perception by promoting ethical transparency, sustainability efforts, and community engagement. Their study concluded that CSR enhances brand reputation and customer trust, which are key components of corporate goodwill. They also noted that CSR helps mitigate reputational risks and strengthens stakeholder relationships.

## Need of the Study

Corporate Social Responsibility (CSR) has emerged as a significant factor in shaping the public image and goodwill of companies in the modern business environment. Organizations are increasingly expected not only to focus on profitability but also to contribute positively to society,

including environmental sustainability, community development, and ethical business practices. The role of CSR in enhancing a company’s reputation has become an important area of interest for stakeholders, including investors, customers, employees, and regulatory authorities.

Chartered Accountants (CAs), as key financial advisors and auditors, hold a unique position in evaluating the effectiveness and strategic impact of CSR initiatives. Their professional insights can provide a deeper understanding of how CSR activities are perceived internally and externally, and how these activities contribute to long-term corporate goodwill. Despite the growing emphasis on CSR, limited research has focused specifically on the perspective of Chartered Accountants regarding its influence on company reputation and stakeholder trust.

Understanding the perception of CAs is essential for several reasons. Firstly, their professional assessment can

influence management decisions related to CSR investments and reporting. Secondly, Chartered Accountants often guide companies on regulatory compliance and reporting frameworks for CSR, which directly impacts transparency and accountability. Thirdly, exploring their perception can highlight potential gaps in CSR implementation, communication, and measurement, thereby enabling companies to enhance their social and ethical impact effectively.

Therefore, this study is necessary to capture the viewpoint of Chartered Accountants on the role of CSR in enhancing corporate goodwill. Insights derived from this research can assist companies in designing CSR strategies that not only fulfill statutory requirements but also build a positive reputation, strengthen stakeholder trust, and contribute to sustainable business growth. Moreover, it can provide policymakers and industry regulators with valuable feedback on improving CSR governance frameworks in alignment with corporate and societal expectations.

**RESEARCH METHODOLOGY**

**Research Objectives**

- 1. To examine the perception of Chartered Accountants regarding the role of Corporate Social Responsibility (CSR) in enhancing the goodwill of companies.
- 2. To analyze the association between the demographic variables of Chartered Accountants and their perception of CSR’s impact on corporate goodwill.

**Sample Size**

The present study focuses on understanding the perception of Chartered Accountants regarding the role of Corporate Social Responsibility (CSR) in enhancing company goodwill. To achieve this, a total of 179 Chartered Accountants from Ahmedabad city have been selected as respondents. The sample includes professionals working in diverse sectors, including auditing firms, corporate finance departments, consultancy services, and private companies.

**Data Analysis**

**H0:** There is no significant difference in the perception of chartered accountants regarding the impact of Corporate Social Responsibility (CSR) initiatives on a company's reputation.

One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
CSR initiatives undertaken by a company significantly enhance its overall reputation.	20.054	178	0.010	0.105	0.014	0.022

As per the above table it is seen that significance value is 0.010 which is lower than standard value 0.05, So Null hypothesis is rejected and it is concluded that Chartered accountants believe that CSR initiatives undertaken by a company significantly enhance its overall reputation.

**H0:** There is no significant difference in the perceptions of chartered accountants regarding the relationship between a company's CSR engagement and stakeholders' perception of its trustworthiness.

One-Sample Test	
	Test Value = 3

	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Companies that actively engage in CSR are perceived as more trustworthy by stakeholders.	24.281	178	0.033	0.486	0.021	0.469

As per the above table it is seen that significance value is 0.033 which is lower than standard value 0.05, So Null hypothesis is rejected and it is concluded that Chartered accountants believe that companies that actively engage in CSR are perceived as more trustworthy by stakeholders.

**H0:** There is no significant difference in the perception of chartered accountants regarding the contribution of a company's CSR activities to its long-term goodwill and brand value.

One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
CSR activities contribute to long-term goodwill and brand value of the company.	28.508	178	0.004	0.694	0.468	0.916

As per the above table it is seen that significance value is 0.004 which is lower than standard value 0.05, So Null hypothesis is rejected and it is concluded that Chartered accountants believe that CSR activities contribute to long-term goodwill and brand value of the company.

There is no association between demographic variables of Chartered Accountants and their perception of CSR's impact on corporate goodwill.

Variable- 1	Variable-2	Pearson Chi-Square	P Value	Decision
Gender	CSR initiatives undertaken by a company significantly enhance its overall reputation.	4.90	0.011	There is Significant Association
	Companies that actively engage in CSR are perceived as more trustworthy by stakeholders.	3.93	0.012	
	CSR activities contribute to long-term goodwill and brand value of the company.	5.88	0.012	
Age	CSR initiatives undertaken by a company significantly enhance its overall reputation.	3.76	0.010	
	Companies that actively engage in CSR are perceived as more trustworthy by stakeholders.	3.25	0.003	
	CSR activities contribute to long-term goodwill and brand value of the company.	5.96	0.004	
Occupation	CSR initiatives undertaken by a company significantly enhance its overall reputation.	1.64	0.006	
	Companies that actively engage in CSR are perceived as more trustworthy by stakeholders.	1.33	0.001	

		CSR activities contribute to long-term goodwill and brand value of the company.	2.00	0.008		
		CSR initiatives undertaken by a company significantly enhance its overall reputation.	2.29	0.002		
Years	of	Companies that actively engage in CSR are perceived as more trustworthy by stakeholders.	0.55	0.012		
experience		CSR activities contribute to long-term goodwill and brand value of the company.	2.41	0.009		

## Findings

The study reveals that Chartered Accountants hold a strong positive perception regarding the role of Corporate Social Responsibility (CSR) in enhancing company goodwill. A majority of respondents believe that CSR initiatives undertaken by a company significantly enhance its overall reputation. They also recognize that companies actively engaged in CSR are perceived as more trustworthy by various stakeholders, including investors, clients, employees, and the community. Furthermore, Chartered Accountants opine that CSR activities contribute substantially to the long-term goodwill and brand value of the company, strengthening its market position and stakeholder relationships.

## CONCLUSION

The findings clearly indicate that Chartered Accountants view CSR not merely as a legal obligation but as a strategic tool for reputation building and long-term sustainability. Their perception underscores the growing importance of ethical responsibility and social contribution in today's competitive business environment. According to their professional insights, companies that actively integrate CSR into their core business practices enjoy greater stakeholder trust, improved corporate image, and enhanced goodwill.

CSR is seen as a driver of intangible assets such as brand reputation and customer loyalty, which, in turn, translate into sustainable growth and profitability. Chartered Accountants emphasize that goodwill generated through CSR is not short-lived; instead, it creates enduring value for companies by fostering strong relationships with society and stakeholders. This indicates that CSR is increasingly becoming a critical component of strategic business planning rather than a peripheral philanthropic activity.

Therefore, the conclusion that can be drawn from this study is that Chartered Accountants perceive CSR as an integral factor contributing to a company's goodwill and long-term success. For businesses, this highlights the need to invest in meaningful and transparent CSR initiatives that align with both societal needs and corporate objectives. By doing so, companies can enhance their reputation, build trust, and secure a competitive advantage in the marketplace while simultaneously fulfilling their responsibilities toward society.

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