

## Barriers To Csr Implementation Among Public And Private Sector Enterprises Using The Ism Technique

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### Abstract:

The purpose of this study is to identify and hierarchise the barriers to Corporate social responsibility (CSR) implementation among public and private sector enterprises in Odisha, India. This study identifies 16 major (8 per sector) challenges faced by public and private sector enterprises as barriers to CSR implementation. A list of barriers was derived from a systematic literature review and expert opinions, and 16 barriers (8 per sector) were identified. Interpretive structure modelling (ISM) was used to understand the hierarchical relationships among barriers to CSR implementation. The conceptual framework presents the hierarchy and interlinkage of barriers to CSR implementation in both public and private-sector enterprises. The present study has identified that profitability pressures and limited financial resources are the root causes of CSR implementation in private sectors, whereas public sectors are challenged by bureaucratic delays and top-down planning. This study will be useful for both academicians and practitioners. The ISM-based approach to CSR implementation will help practitioners identify and address important barriers to effective implementation of CSR activities.

**Keywords:** Corporate social responsibility, Barriers, Interpretive structural modelling, Public sector enterprises, Private sector enterprises.

### Introduction:

Corporate social responsibility (CSR) is a very important element in the current business scenario, reflecting a change in the expectations of the society regarding the duties and responsibilities of enterprises. Usually, the major focus of any enterprise is on the maximisation of profit, but in the changing scenarios, enterprises are expected to be more accountable for their impact on local communities, stakeholders and also on the overall environment. Since enterprises use resources of the society so it should be their responsibility to do something for the society in return. CSR is basically an important step by the management, whose aim is not only to manage the businesses ethically but also to create a coordination between the financial performance and the well-being of the people and society.

In recent years, there has been high pressure on enterprises to be more responsible and actively involved in CSR initiatives due to economic, social, regulatory, and environmental factors. A major

factor behind this transition is the increased stakeholder expectations, as today's employees, consumers and investors expect enterprises to be more transparent and contribute positively to society. Gone are those days when the enterprise's only focus was the maximisation of profit, but now the perceptions of society are changing with the changing times. Now, addressing the issues of the environment and society has also become a major part of their focus. It's no longer a burden for the enterprises, but their responsibility to take care of the stakeholders as the businesses function within the society, and use the resources available in the environment.

One of the most important roles was played by the regulatory frameworks in making CSR adoption easy. In India, the Companies Act 2013 states that businesses that meet certain criteria must allocate at least 2% of their average net profits. Hence, businesses have to comply with it, failing which companies will be imposed with penalties. This will not only financially impact the enterprise but also affect the goodwill of the enterprise in the eyes of

the stakeholders. There are also some additional issues that are rising with the changing times, such as inequality in income, climate change and the underdevelopment of rural areas, and to solve these issues it requires major involvement of the corporates.

No doubt, CSR is becoming important in the current scenario, but it is difficult to evaluate the performance of both private and public sector enterprises. Even though CSR is becoming more prevalent, it still continues to be tough to put CSR ideas into practice in both the public and private sector enterprises. Both public and private sector enterprises have to cope with several kinds of internal as well as external challenges that cause inefficient implementation of CSR programs (Zaman et al., 2023). The challenges in public sector enterprises vary from those in private sector enterprises. Private sector enterprises mostly deal with limited financial resources, profitability pressures and a lack of expertise in CSR implementation (Graafland & Zhang, 2013), whereas public sectors have to deal with a lack of accountability mechanisms, bureaucratic delays and dependence on government policies (Cordoba-Pachon et al., 2014). When these challenges overlap, they intensify one another and make the CSR implementation ineffective. Additionally, these challenges differ on the basis of industry, scale and also the geographical location of the enterprise. (Bice, 2015).

The objective of the paper is to identify the barriers that result in ineffective implementation of CSR initiatives in private and public sector enterprises. Interpretive Structural Modelling (ISM) has been used in this research to identify and investigate the barriers faced by public and private sector enterprises. ISM helps in analysing the interrelationships among the barriers, providing a hierarchical structure of these barriers. ISM will reveal the root causes and the interconnections between these barriers, which will be helpful for both the public and private sector enterprises for developing efficient strategies to overcome them, hence enhancing their CSR implementation. A detailed review of literature and opinions of the experts of different public and private sector enterprises will be taken into consideration to

investigate the barriers. This approach will help policymakers and CSR practitioners to gain a better understanding and will allow them to formulate more effective strategies to overcome the barriers, hence enhancing sustainable CSR practices.

## **2. Review Of Literature:**

CSR in India has evolved a lot over a period of time. With the changing times, CSR is giving more emphasis on inclusive growth, mostly focusing on the areas of rural development, healthcare, infrastructure, education and livelihood. Initially, CSR was more focused on philanthropy and societal issues, but now, with the changing times, it has shifted to a more structured and strategic approach. A very important phase in the evolution of CSR is the implementation of the Company's Act, 2013, which mandated CSR spending (Mishra, 2020). This act says, enterprises meeting certain criteria to spend 2% of their average net profits on CSR activities. (Dixit and Priya, 2023).

Even though in India, there is a legislation for the effective implementation of CSR initiatives, there exist several barriers both for the public and private sector enterprises. While private sector enterprises have the freedom to choose their focus areas, the public sector enterprises have to balance government regulations and CSR goals.

On the basis of the above statements, the literature review is divided into two phases. The first phase consists of the barriers faced by private sector enterprises, and the second phase deals with the barriers faced by public sector enterprises.

### **2.1 BARRIERS RELATED TO PRIVATE SECTOR ENTERPRISES**

The barriers faced by the private sector enterprises are diverse and intricate. Despite being given the chance to choose their focus areas, they are still surrounded by several barriers, such as profitability pressures, cultural differences, lack of expertise in CSR implementation, etc. collectively hinder the effective implementation of CSR initiatives.

- **PRS 1: PROFITABILITY PRESSURES:** The primary objective of any private sector enterprise is to maximise profit, because of which they have to focus on short-term financial gains at the cost of

long-term sustainability. The effectiveness of CSR initiatives is compromised when the focus is on short-term profit. (Michaels and Grüning, 2018).

- **PRS 2: LACK OF EXPERTISE IN CSR IMPLEMENTATION:** Private sector enterprises lack expertise in CSR implementation. Many enterprises find it difficult to grasp the essence of CSR, which results in ineffective implementation of CSR initiatives (Zhong et al., 2022). Difficulty in aligning CSR initiatives with their main business strategy hinders the overall effectiveness of CSR initiatives (Arru et al., 2024).

- **PRS 3: LIMITED FINANCIAL RESOURCES:** Since private sector enterprises are profit-oriented, they struggle with budget allocations and prioritise operational demands over spending less on CSR activities (Liu et al., 2019). However, studies show that if enterprises consciously spend on CSR initiatives, they will gain customer loyalty and an enhanced reputation (Fontoura and Coelho, 2021).

- **PRS 4: WEAK STAKEHOLDER ENGAGEMENT:** To ensure that the CSR initiatives meet both the expectations of the community as well as the objectives of the enterprises, it is very important for the enterprises to involve the stakeholders. Studies claim that reputational damage is a serious consequence of not involving the stakeholders (Luo & Wang, 2019; Chen et al., 2022).

- **PRS 5: FRAGMENTED VALUE CHAINS:** Enterprises have to deal with different suppliers, contractors and partners at various stages of production. It becomes very difficult to monitor whether everyone follows the same CSR rules or not, as these networks are large and scattered. As everyone does not follow the rules because of which confusion arises about who is responsible for what, hence leading to ineffective implementation of CSR practices (Nustini et al. 2024).

- **PRS 6: INADEQUATE MONITORING AND EVALUATION:** A lack of monitoring and evaluation systems exist in private sector enterprises, which hinders the assessment of CSR performance, leading to reduced benefits of such initiatives. Previous studies showed that many enterprises have failed to establish effective frameworks to evaluate the impact of their CSR initiatives (Bao 2010). The absence of frameworks can reduce the perceived value of CSR among employees who are

focused on financial outcomes; as a result, they will need justification for the continued CSR investments (Ghanbarpour & Gustafsson, 2021).

- **PRS 7: UNCLEAR REGULATORY GUIDELINES:** The unclear rules and regulations regarding CSR discourage enterprises from taking risks regarding CSR initiatives (Sarajoti et al., 2023). A primary reason that leads to delays in the adoption of sustainable CSR practices is credited to the lack of standard guidelines (Fontana, 2017; Boesso et al., 2022).

- **PRS 8: CULTURAL BARRIERS:** Enterprises have to deal with various societal expectations regarding corporate responsibilities, as they function in various cultural settings (Nyuur et al., 2014). Many times, the expected benefits of CSR initiatives are not visible immediately, because of which enterprises struggle to justify their spending on these initiatives (Luo & Wang, 2019).

## **2.2 BARRIERS RELATED TO PUBLIC SECTOR ENTERPRISES**

Public sector enterprises have to deal with several complex barriers while implementing CSR initiatives. Some of the barriers are bureaucratic delays, top-down planning, lack of accountability mechanisms, etc., collectively hinder the efforts of CSR initiatives.

- **PUS 1: BUREAUCRATIC DELAYS:** Bureaucratic delays are one of the most significant barriers that hinder the effective implementation of CSR initiatives in public sector enterprises. These delays are mostly due to strict procedural demands since the focus is more on complying with rules and regulations than on innovation and agility (Tripathi, 2025; Irawan, 2024).

- **PUS 2: TOP-DOWN PLANNING:** Top-down planning in public sector enterprises is one of the important barriers that obstruct the effective implementation of CSR initiatives. It limits the involvement of the key stakeholders, especially those from the local communities (Dong et al., 2023). CSR initiatives should be developed after considering the needs of the local communities. The enterprises often fail to involve the stakeholders, whom they aim to serve; as a result, there is doubt

and less participation from the local communities (Kim et al., 2023).

- **PUS 3: OVER-RELIANCE ON PHILANTHROPIC MODELS:** Previously, CSR was perceived as a form of philanthropy, because of which the focus was more on short-term charitable actions than long-term developmental goals (Ismail et al., 2015). Since the focus was more on short-term goals because of which the significant economic and social goals were compromised (Gilal et al., 2023).

- **PUS 4: LIMITED COMMUNITY PARTICIPATION:** Community participation is one of the most important elements required for the effective implementation of CSR, yet it is limited in many public sector enterprises. One of the reasons for the limited involvement is because in the decision-making process, the viewpoints of the local communities are not taken into consideration (Pandey, 2024).

- **PUS 5: WEAK ALIGNMENT WITH DEVELOPMENTAL GOALS:** The CSR activities are mostly implemented without considering how those initiatives will align with broader developmental goals (Tripathi, 2025). This misalignment can reduce the impact of CSR initiatives.

- **PUS 6: INEFFICIENT RESOURCE USE:** Many public sector enterprises fail to achieve their objectives, which is accredited to limited financial resources and their poor allocation (Srivastava, 2024).

- **PUS 7: DEPENDENCE ON GOVERNMENT POLICIES:** The public sector enterprises depend on the government policies a lot, which affect the flexible implementation of CSR initiatives (Newell, 2008). Governmental policies tend to ignore the social and environmental policies of the community

(Fikry and Hermawan, 2024). Hence, there is an imbalance between the needs of the communities and the CSR initiatives, because of which the effectiveness of the CSR initiatives is compromised (Sharma, 2025).

- **PUS 8: LACK OF ACCOUNTABILITY MECHANISMS:** Without well-defined systems to evaluate the effectiveness of CSR initiatives, public sector enterprises may find it difficult to maintain transparency regarding their social responsibilities (Aravind and Arevalo, 2015).

### **3. IDENTIFICATIONS OF THE ENABLERS (BARRIERS TO CSR IMPLEMENTATION)**

The researcher conducted a review of literature on CSR, succeeded by a few discussions with the experts, pointed out 16 enablers (barriers) for the effective implementation of CSR initiatives, out of which 8 are for the Private sector enterprises (PRS) and the other 8 for the Public sector enterprises (PUS). The experts were CSR heads, CSR practitioners, or managers handling CSR projects in both public and private sector enterprises. Focused interviews were conducted for the identification of the barriers they face while implementing CSR. After an extensive literature review, 2 separate lists were prepared for both public and private sector enterprises separately that contained 10 barriers each. When the lists were shown to them, a few barriers were removed from the lists, a few barriers were merged to reduce the duplication of barriers, and also, the names of a few barriers were also renamed to reduce the redundancy of barriers.

From the Literature review presented above, and after considering the experts' opinion, the following barriers to CSR were identified for the Private sector enterprise:

**Table 1: Identification of enablers related to CSR implementation (PRIVATE SECTOR ENTERPRISES)**

| Sl. No. |       | BARRIERS TO CSR OF PRIVATE SECTOR ENTERPRISES |
|---------|-------|-----------------------------------------------|
| 1       | PRS 1 | Profitability pressures                       |
| 2       | PRS 2 | Lack of expertise in CSR implementation       |
| 3       | PRS 3 | Limited financial resources                   |
| 4       | PRS 4 | Weak stakeholder engagement                   |
| 5       | PRS 5 | Fragmented value chains                       |

|   |       |                                      |
|---|-------|--------------------------------------|
| 6 | PRS 6 | Inadequate monitoring and evaluation |
| 7 | PRS 7 | Unclear regulatory guidelines        |
| 8 | PRS 8 | Cultural barriers                    |

**\*PRS = Private Sector Enterprises**

From the Literature review presented above, and after considering the experts' opinion, the following barriers to CSR were identified for the Public sector enterprises:

Table 2: Identification of enablers related to CSR implementation (PUBLIC SECTOR ENTERPRISES)

| Sl. No. |       | BARRIERS TO CSR OF PUBLIC SECTOR ENTERPRISES |
|---------|-------|----------------------------------------------|
| 1       | PUS 1 | Bureaucratic delays                          |
| 2       | PUS 2 | Top-down planning                            |
| 3       | PUS 3 | Over-reliance on philanthropic models        |
| 4       | PUS 4 | Limited community participation              |
| 5       | PUS 5 | Weak alignment with developmental goals      |
| 6       | PUS 6 | Inefficient resource use                     |
| 7       | PUS 7 | Dependence on Government policies            |
| 8       | PUS 8 | Lack of accountability mechanisms            |

**\*PUS = Public Sector Enterprises**

**Research gap:** An assumption is that enterprises encounter several barriers while implementing CSR. However, the level of priority related to each barrier is different due to the factors related to specific sectors. As barriers differ from public sector enterprises than those of private sector enterprises, there comes the need to identify, evaluate and compare the barriers of both sectors that hinder effective implementation of CSR initiatives. In recent years, researchers have identified several barriers of public and private sector enterprises separately, but there is hardly any research which mentions the barriers faced by both public and private sector enterprises combined. Hence, further study is required to identify and evaluate the barriers of both sectors combined, and this study will address the above-mentioned research gap. ISM technique is applied to grasp the contextual relationships of the several barriers faced by both public and private sector enterprises.

#### 4. INTERPRETIVE STRUCTURAL MODELLING:

Interpretive structural modelling (ISM) is a method that was developed by Warfield to identify

relationships among specific variables that define a problem (J.N. Warfield, 1974). ISM is a combination of several steps, where the first step of ISM deals with having a focused group discussion and brainstorming sessions with the experts of the area concerned (Goyal and Kumar, 2017). This will help the researcher to gain knowledge and the relationship among the variables (Anantatmula and Kanungo, 2008). After discussing the barriers to CSR implementation with the experts, the enablers to ISM were taken into consideration.

#### *Steps of Interpretive Structural Modelling methodology*

The steps involved in the ISM technique are:

1. Identification of the variables related to the concerned problems or issues.
2. Establishing the contextual relationship with the variables and with respect to which pairs of variables will be examined.
3. A structural self-interaction matrix (SSIM) was constructed through a pair-wise comparative analysis among the variables.

4. From the SSIM (conducted in the above step), a reachability matrix was derived, and then the transitivity was examined. In the ISM, transitivity of the context-based relationship is a fundamental premise. The statement indicates that if variable A is connected to variable B and variable B is connected to variable C, then variable A is surely connected to variable C.

5. The reachability matrix derived in the above step (step 4) is then divided into different levels.

6. After eliminating the transitive links, a directed graph is constructed from the relationships outlined in the reachability matrix.

7. The generated diagram is transformed into an ISM by substituting variable nodes with statements.

#### 4.1 ISM FOR PRIVATE SECTOR ENTERPRISES

In this study, experts from the private sector enterprises were consulted, and after a thorough review of the literature and brainstorming sessions,

8 variables were chosen as the barriers to the private sector enterprises.

##### 4.1.1 Structural self-interaction matrix (SSIM)

To establish the relationship between the variables (i and j), a pair-wise evaluation of variables seeking “leads to” kind of questions was conducted. The association among the variables was questioned, for instance, whether variable i will help get variable j or variable j will help get variable i. Four symbols were allotted to identify the current contextual connection among the two sub-variables (i and j). They are listed below:

V= Variable i assists in achieving variable j

A= Variable j assists in achieving variable i

X= Variable i and j will assist in achieving each other

O= Variable i and j are not related

The SSIM was generated based on the context-based relationships for 8 barriers to CSR in private sector organisations in Table 1.

**Table 1: Structural self-interaction matrix**

| VARIABLES | PRS1 | PRS2 | PRS3 | PRS4 | PRS5 | PRS6 | PRS7 | PRS8 |
|-----------|------|------|------|------|------|------|------|------|
| PRS1      |      | V    | A    | O    | O    | V    | O    | O    |
| PRS2      |      |      | V    | V    | O    | O    | O    | O    |
| PRS3      |      |      |      | O    | O    | V    | O    | O    |
| PRS4      |      |      |      |      | V    | O    | V    | O    |
| PRS5      |      |      |      |      |      | O    | O    | O    |
| PRS6      |      |      |      |      |      |      | O    | O    |
| PRS7      |      |      |      |      |      |      |      | X    |
| PRS8      |      |      |      |      |      |      |      |      |

##### 4.1.2 REACHABILITY MATRIX

The reachability matrix was created using a structural self-interaction matrix, which shows the connections between the variables in a binary format that is 1 and 0. The various associations between the variables previously represented by the signs V, A, X and O in the SSIM were replaced with the numbers 0 and 1. To get the reachability matrix, the steps below were applied to replace V, A, X and O of the SSIM.

- (i,j) input in SSIM is V; (i,j) entry in RM is 1, and (j, i) entry is 0.
- (i,j) input in SSIM is A; (i,j) entry in RM is 0, and (j, i) entry is 1.
- (i,j) input in SSIM is X; (i,j) entry in RM is 1, and (j, i) entry is 1.
- (i,j) input in SSIM is O; (i,j) entry in RM is 0, and (j, i) entry is 0.

**Table 2: Initial Reachability Matrix**

| VARIABLES | PRS1 | PRS2 | PRS3 | PRS4 | PRS5 | PRS6 | PRS7 | PRS8 |
|-----------|------|------|------|------|------|------|------|------|
| PRS1      | 1    | 1    | 0    | 0    | 0    | 1    | 0    | 0    |
| PRS2      | 0    | 1    | 1    | 1    | 0    | 0    | 0    | 0    |
| PRS3      | 1    | 0    | 1    | 0    | 0    | 1    | 0    | 0    |
| PRS4      | 0    | 0    | 0    | 1    | 1    | 0    | 1    | 0    |
| PRS5      | 0    | 0    | 0    | 0    | 1    | 0    | 0    | 0    |
| PRS6      | 0    | 0    | 0    | 0    | 0    | 1    | 0    | 0    |
| PRS7      | 0    | 0    | 0    | 0    | 0    | 0    | 1    | 1    |
| PRS8      | 0    | 0    | 0    | 0    | 0    | 0    | 1    | 1    |

The initial reachability matrix was prompted to perform a transitivity check. In ISM methodology, the transitivity of the context-based relationship is a fundamental presumption (Alawamleh Popplewell, 2011). The transitivity in the context-based relationship indicates that if variable *i* is connected to variable *j* and *j* is connected to *k*, then *i* is inevitably connected to *k* (Qureshi and Kumar, 2008). Once the transitivity checks are done, the initial reachability matrix is converted to the final reachability matrix. The final reachability matrix is

presented in Table 3, where transitivity is marked as 1\*. The above final reachability matrix is then utilised to determine the driving power and the dependence of every single variable. The driving power of a variable is indicated by the total count of variables (counting itself) that it affects. The dependence power of a variable is defined by the total count of variables (counting itself) that may affect it. The driving power and dependence power of variables are utilised in determining the position or category of a variable in the MICMAC analysis

**Table 3: Final Reachability Matrix**

#### 4.1.3 LEVEL PARTITIONING

| VARIABLES        | PRS1 | PRS2 | PRS3 | PRS4 | PRS5 | PRS6 | PRS7 | PRS8 | DRIVING POWER |
|------------------|------|------|------|------|------|------|------|------|---------------|
| PRS1             | 1    | 1    | 1*   | 1*   | 1*   | 1    | 1*   | 1*   | 8             |
| PRS2             | 1*   | 1    | 1    | 1    | 1*   | 1*   | 1*   | 1*   | 8             |
| PRS3             | 1    | 1*   | 1    | 1*   | 1*   | 1    | 1*   | 1*   | 8             |
| PRS4             | 0    | 0    | 0    | 1    | 1    | 0    | 1    | 1*   | 4             |
| PRS5             | 0    | 0    | 0    | 0    | 1    | 0    | 0    | 0    | 1             |
| PRS6             | 0    | 0    | 0    | 0    | 0    | 1    | 0    | 0    | 1             |
| PRS7             | 0    | 0    | 0    | 0    | 0    | 0    | 1    | 1    | 2             |
| PRS8             | 0    | 0    | 0    | 0    | 0    | 0    | 1    | 1    | 2             |
| DEPENDENCE POWER | 3    | 3    | 3    | 4    | 5    | 4    | 6    | 6    |               |

Different iterations are presented from Tables 4 to 7 involving the three primary sets. One reachability set, an antecedent set and an intersection set are drawn from the reachability matrix. The reachability set includes the element itself and any element it might influence. The antecedent set consists of the element itself and any other element that might influence it. The intersection set is the overlap between the reachability set and the antecedent set. An element where the reachability set and the intersection set are identical will be positioned

at the highest level of the ISM structure. Once a set is similar, it is eliminated from the structure. This process is repeated till each element's level is determined. These levels are then used to construct the diagram and ISM model.

**Table 4: Enabler Iteration 1**

| Serial No. | Variables | Csr Barriers                            | Reachability set | Antecedent set | Intersection set | Level |
|------------|-----------|-----------------------------------------|------------------|----------------|------------------|-------|
| 1          | PRS1      | Profitability pressures                 | 1,2,3,4,5,6,7,8  | 1,2,3,         | 1,2,3,           |       |
| 2          | PRS2      | Lack of expertise in CSR implementation | 1,2,3,4,5,6,7,8  | 1,2,3,         | 1,2,3,           |       |
| 3          | PRS3      | Limited financial resources             | 1,2,3,4,5,6,7,8  | 1,2,3,         | 1,2,3,           |       |
| 4          | PRS4      | Weak stakeholder engagement             | 4,5,7,8          | 1,2,3,4        | 4,               |       |
| 5          | PRS5      | Fragmented value chains                 | 5,               | 1,2,3,4,5      | 5,               | 1     |
| 6          | PRS6      | Inadequate monitoring and evaluation    | 6,               | 1,2,3,6,       | 6,               | 1     |
| 7          | PRS7      | Unclear regulatory guidelines           | 7,8,             | 1,2,3,4,7,8    | 7,8,             | 1     |
| 8          | PRS8      | Cultural barriers                       | 7,8,             | 1,2,3,4,7,8    | 7,8,             | 1     |

**Table 5: Enabler Iteration 2**

| Serial No. | Variables | Csr Barriers                            | Reachability set | Antecedent set | Intersection set | Level |
|------------|-----------|-----------------------------------------|------------------|----------------|------------------|-------|
| 1          | PRS1      | Profitability pressures                 | 1,2,3,4,         | 1,2,3,         | 1,2,3,           |       |
| 2          | PRS2      | Lack of expertise in CSR implementation | 1,2,3,4,         | 1,2,3,         | 1,2,3,           |       |
| 3          | PRS3      | Limited financial resources             | 1,2,3,4,         | 1,2,3,         | 1,2,3,           |       |
| 4          | PRS4      | Weak stakeholder engagement             | 4,               | 1,2,3,4,       | 4,               | 2     |
| 5          | PRS5      | Fragmented value chains                 | 5,               | 1,2,3,4,       |                  | 1     |
| 6          | PRS6      | Inadequate monitoring and evaluation    | 6,               | 1,2,3,         |                  | 1     |
| 7          | PRS7      | Unclear regulatory guidelines           | 7,8,             | 1,2,3,4,       |                  | 1     |
| 8          | PRS8      | Cultural barriers                       | 7,8,             | 1,2,3,4,       |                  | 1     |

**Table 6: Enabler Iteration 3**

| Serial No. | Variables | Csr Barriers            | Reachability set | Antecedent set | Intersection set | Level |
|------------|-----------|-------------------------|------------------|----------------|------------------|-------|
| 1          | PRS1      | Profitability pressures | 1,2,3,           | 1,2,3,         | 1,2,3,           | 3     |

|   |      |                                         |        |        |        |   |
|---|------|-----------------------------------------|--------|--------|--------|---|
| 2 | PRS2 | Lack of expertise in CSR implementation | 1,2,3, | 1,2,3, | 1,2,3, | 3 |
| 3 | PRS3 | Limited financial resources             | 1,2,3, | 1,2,3, | 1,2,3, | 3 |
| 4 | PRS4 | Weak stakeholder engagement             |        | 1,2,3, |        | 2 |
| 5 | PRS5 | Fragmented value chains                 |        | 1,2,3, |        | 1 |
| 6 | PRS6 | Inadequate monitoring and evaluation    |        | 1,2,3, |        | 1 |
| 7 | PRS7 | Unclear regulatory guidelines           |        | 1,2,3, |        | 1 |
| 8 | PRS8 | Cultural barriers                       |        | 1,2,3, |        | 1 |

**Table 7: Level Partitioning**

| Serial No. | Variables | Csr Barriers                            | Reachability set | Antecedent set | Intersection set | Level |
|------------|-----------|-----------------------------------------|------------------|----------------|------------------|-------|
| 1          | PRS1      | Profitability pressures                 | 1,2,3,           | 1,2,3,         | 1,2,3,           | 3     |
| 2          | PRS2      | Lack of expertise in CSR implementation | 1,2,3,           | 1,2,3,         | 1,2,3,           | 3     |
| 3          | PRS3      | Limited financial resources             | 1,2,3,           | 1,2,3,         | 1,2,3,           | 3     |
| 4          | PRS4      | Weak stakeholder engagement             | 4,               | 1,2,3,4,       | 4,               | 2     |
| 5          | PRS5      | Fragmented value chains                 | 5,               | 1,2,3,4,5,     | 5,               | 1     |
| 6          | PRS6      | Inadequate monitoring and evaluation    | 6,               | 1,2,3,6,       | 6,               | 1     |
| 7          | PRS7      | Unclear regulatory guidelines           | 7,8,             | 1,2,3,4,7,8,   | 7,8,             | 1     |
| 8          | PRS8      | Cultural barriers                       | 7,8,             | 1,2,3,4,7,8,   | 7,8,             | 1     |

#### 4.1.4 CONICAL MATRIX:

A conical matrix is formed from a partitioned reachability matrix by rearranging the variables according to their hierarchical levels. This method groups all the variables of the same level, which are then utilised to create the resulting digraph. In this study, Variables 5,6,7 and 8 were found to be at Level 1. Variable 4 was at Level 2, and Variables 1,2, and 3 were at Level 3. A conical matrix was formed after rearranging the variables according to their levels (Table 8).

**Table 8: Conical Matrix**

| Variables | Csr Barriers            | 5 | 6 | 7 | 8 | 4 | 1 | 2 | 3 | Driving Power | Level |
|-----------|-------------------------|---|---|---|---|---|---|---|---|---------------|-------|
| PRS5      | Fragmented value chains | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1             | 1     |

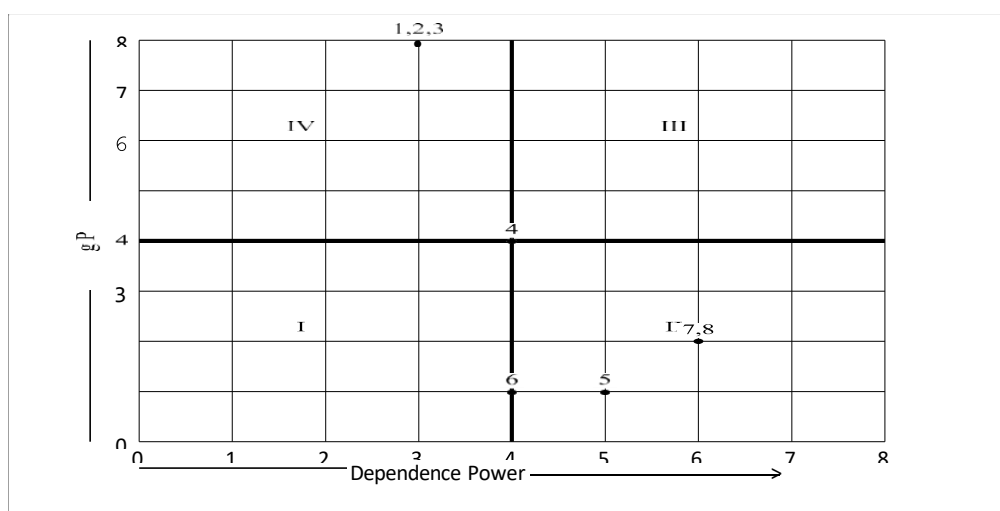
|                  |                                         |   |    |   |    |    |    |    |    |   |   |
|------------------|-----------------------------------------|---|----|---|----|----|----|----|----|---|---|
| PRS6             | Inadequate monitoring and evaluation    | 0 | 1  | 0 | 0  | 0  | 0  | 0  | 0  | 1 | 1 |
| PRS7             | Unclear regulatory guidelines           | 0 | 0  | 1 | 1  | 0  | 0  | 0  | 0  | 2 | 1 |
| PRS8             | Cultural barriers                       | 0 | 0  | 1 | 1  | 0  | 0  | 0  | 0  | 2 | 1 |
| PRS4             | Weak stakeholder engagement             | 1 | 0  | 1 | 1* | 1  | 0  | 0  | 0  | 4 | 2 |
| PRS1             | Profitability pressures                 | 0 | 1  | 0 | 0  | 1* | 1  | 1  | 1* | 8 | 3 |
| PRS2             | Lack of expertise in CSR implementation | 0 | 1* | 0 | 0  | 1  | 1* | 1  | 1  | 8 | 3 |
| PRS3             | Limited financial resources             | 0 | 1  | 0 | 0  | 1* | 1  | 1* | 1  | 8 | 3 |
| Dependence Power |                                         | 5 | 4  | 6 | 6  | 4  | 3  | 3  | 3  |   |   |
| Level            |                                         | 1 | 1  | 1 | 1  | 2  | 3  | 3  | 3  |   |   |

#### 4.1.5 MICMAC ANALYSIS

Enablers/barriers for CSR implementation are divided into four categories: linkage, independent, autonomous and dependent enablers. On the basis of their dependence rank and driving power, they are evaluated, as presented in Figure 1. The first cluster, independent enablers, is characterised by high driving power but low dependent power. They exert a strong impact on other enablers without

being affected themselves. The second group, linkage enablers, exhibit both high driving power and high dependence. The third cluster consists of the dependent enablers, which is characterised by strong dependencies but weak driving power. The fourth cluster is autonomous enablers with weak driving power and weak dependencies. Autonomous enablers are mostly detached from the firm's internal environment

.Figure 1: MICMAC Analysis



In the MICMAC analysis of this study, CSR barriers were categorised into four clusters shown above. Cluster IV, which contains the driving variables,

includes profitability pressures (PRS 1), lack of expertise in CSR implementation (PRS 2) and limited financial resources (PRS 3). This shows that these

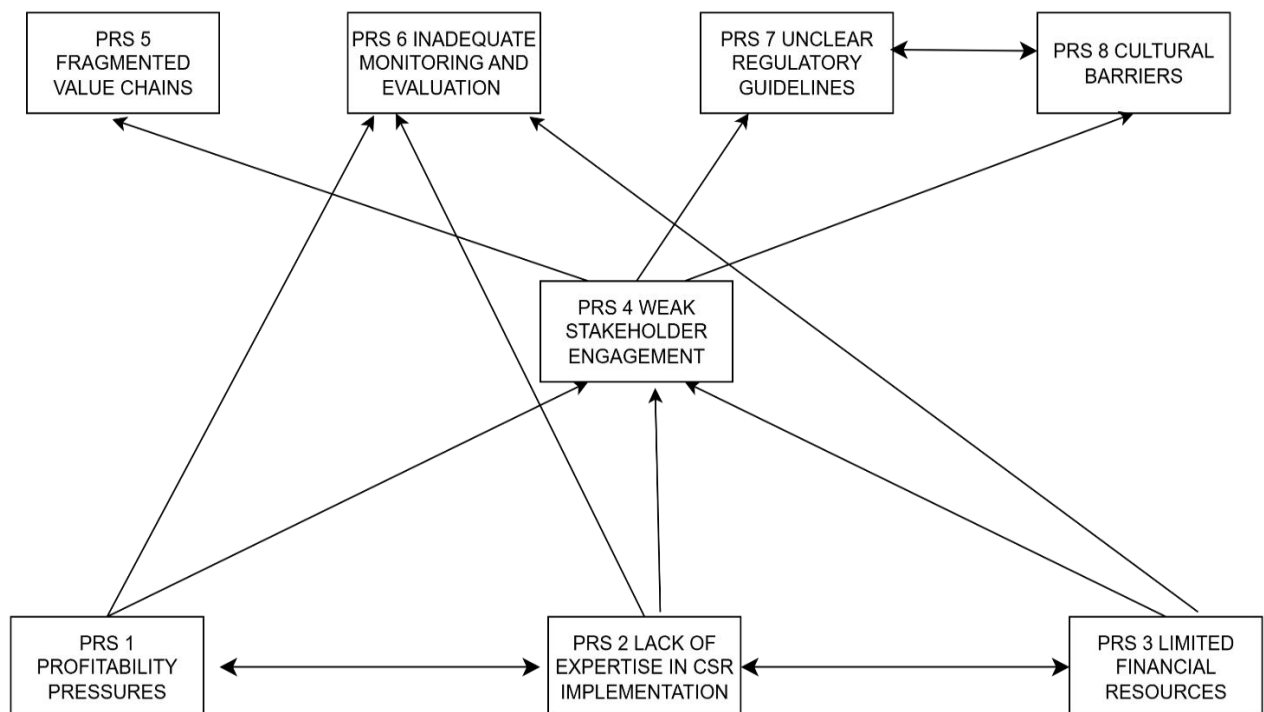
variables are the primary barriers to CSR implementation in the private sector enterprises. Cluster III (linkage variables) has one variable that is weak stakeholder engagement (PRS 4). Linking variables serve as the connection between the variables in Cluster IV and those in Cluster II. These barriers play a crucial role in the execution of CSR. The Cluster II, which contains the dependent variables, has four variables that are fragmented value chains (PRS 5), inadequate monitoring and evaluation (PRS 6), unclear regulatory guidelines (PRS 7) and cultural barriers (PRS 8). These variables have high dependence on other variables and

possess weak driving power. This model does not include any variables within Cluster I (autonomous variables).

#### 4.1.6 DIAGRAPH BASED MODEL FOR BARRIERS TO CSR IMPLEMENTATION

The final diagram is created using the final reachability matrix as shown in figure 2. The diagram is constructed after removing transitivity relationships, and the arrows represent the connections between enablers 'i' and 'j'.

**Figure 2: ISM of enablers for barriers to CSR implementation in Private Sector Enterprises**



ISM was used to form a hierarchical model as depicted in figure 2. The figure shows the interconnections among the barriers identified to CSR implementation, and the barriers are organised into a three-level structure of hierarchy that shows the driving and dependence power of each barrier.

Level 3, which consists of the foundational barriers with the highest driving power, is located at the base of the hierarchy. It says, PRS 1 (Profitability pressures), PRS 2 (Lack of expertise in CSR implementation) and PRS 3 (Limited financial resources). The model identifies that these 3

barriers (PRS 1, PRS 2 and PRS 3) are the primary drivers obstructing CSR implementation. As they are positioned at the bottom of the model, this indicates that they are the root causes that affect other barriers but are not significantly affected by them. At Level 2 of the model lies the barrier PRS 4 (Weak stakeholder engagement). This barrier is influenced by the foundational barriers at Level 3 and, in turn, affects the outcome barriers at Level 1. The top of the hierarchy (Level 1) comprises four dependent barriers: PRS 5 (Fragmented value chains), PRS 6 (Inadequate monitoring and evaluation), PRS 7 (Unclear regulatory guidelines) and PRS 8 (Cultural barriers). These variables have

high dependence and low driving powers, which means they are largely outcomes of the deeper-level barriers.

#### 4.2 ISM FOR PUBLIC SECTOR ENTERPRISES

In this study, experts from the public sector enterprises were consulted, and after a thorough review of the literature and brainstorming sessions,

8 variables were chosen as the barriers to the public sector enterprises.

##### 4.2.1 Structural self-interaction matrix (SSIM)

SSIM was generated based on the context-based relationships for the eight barriers to CSR in private sector organisations (Table 9).

**Table 9: Structural self-interaction matrix**

| VARIABLES | PUS1 | PUS2 | PUS3 | PUS4 | PUS5 | PUS6 | PUS7 | PUS8 |
|-----------|------|------|------|------|------|------|------|------|
| PUS1      |      | V    | V    | V    | V    | V    | O    | O    |
| PUS2      |      |      | V    | V    | V    | O    | V    | V    |
| PUS3      |      |      |      | V    | V    | V    | X    | X    |
| PUS4      |      |      |      |      | V    | A    | A    | A    |
| PUS5      |      |      |      |      |      | A    | A    | A    |
| PUS6      |      |      |      |      |      |      | X    | X    |
| PUS7      |      |      |      |      |      |      |      | V    |
| PUS8      |      |      |      |      |      |      |      |      |

##### 4.2.2 REACHABILITY MATRIX

The reachability matrix was created using a structural self-interaction matrix, which shows the connections between the variables in a binary format that is 1 and 0. The various relationships among the variables previously represented by the symbols V, A, X and O in the SSIM were replaced with the binary numbers 0 and 1.

**Table 10: Initial Reachability Matrix**

| VARIABLES | PUS1 | PUS2 | PUS3 | PUS4 | PUS5 | PUS6 | PUS7 | PUS8 |
|-----------|------|------|------|------|------|------|------|------|
| PUS1      | 1    | 1    | 1    | 1    | 1    | 1    | 0    | 0    |
| PUS2      | 0    | 1    | 1    | 1    | 1    | 0    | 1    | 1    |
| PUS3      | 0    | 0    | 1    | 1    | 1    | 1    | 1    | 1    |
| PUS4      | 0    | 0    | 0    | 1    | 1    | 0    | 0    | 0    |
| PUS5      | 0    | 0    | 0    | 0    | 1    | 0    | 0    | 0    |
| PUS6      | 0    | 0    | 1    | 1    | 1    | 1    | 1    | 1    |
| PUS7      | 0    | 0    | 1    | 1    | 1    | 1    | 1    | 1    |
| PUS8      | 0    | 0    | 1    | 1    | 1    | 1    | 0    | 1    |

The initial reachability matrix was constructed to carry out a transitivity check. Once the transitivity checks are done, the initial reachability matrix is transformed into the final reachability matrix. The final reachability matrix is presented in Table 11, where transitivity is marked as 1\*.

**Table 11: Final Reachability Matrix**

| VARIABLES        | PUS1 | PUS2 | PUS3 | PUS4 | PUS5 | PUS6 | PUS7 | PUS8 | DRIVING POWER |
|------------------|------|------|------|------|------|------|------|------|---------------|
| PUS1             | 1    | 1    | 1    | 1    | 1    | 1    | 1*   | 1*   | 8             |
| PUS2             | 0    | 1    | 1    | 1    | 1    | 1*   | 1    | 1    | 7             |
| PUS3             | 0    | 0    | 1    | 1    | 1    | 1    | 1    | 1    | 6             |
| PUS4             | 0    | 0    | 0    | 1    | 1    | 0    | 0    | 0    | 2             |
| PUS5             | 0    | 0    | 0    | 0    | 1    | 0    | 0    | 0    | 1             |
| PUS6             | 0    | 0    | 1*   | 1    | 1    | 1    | 1    | 1    | 6             |
| PUS7             | 0    | 0    | 1    | 1    | 1    | 1    | 1    | 1    | 6             |
| PUS8             | 0    | 0    | 1    | 1    | 1    | 1    | 1*   | 1    | 6             |
| DEPENDENCE POWER | 1    | 2    | 6    | 7    | 8    | 6    | 6    | 6    |               |

#### 4.2.3 LEVEL PARTITIONING

Different iterations are presented from Tables 12 to 16 involving the three primary sets. A reachability set, an antecedent set and an intersection set are derived from the reachability matrix.

**Table 12: Enabler Iteration 1**

| Serial No. | Variables | Csr Barriers                            | Reachability set | Antecedent set   | Intersection set | Level |
|------------|-----------|-----------------------------------------|------------------|------------------|------------------|-------|
| 1          | PUS1      | Bureaucratic delays                     | 1,2,3,4,5,6,7,8  | 1,               | 1,               |       |
| 2          | PUS2      | Top-down planning                       | 2,3,4,5,7,8      | 1,2,             | 2,               |       |
| 3          | PUS3      | Over-reliance on philanthropic models   | 3,4,5,6,7,8      | 1,2,3,6,7,8,     | 3,6,7,8,         |       |
| 4          | PUS4      | Limited community participation         | 4,5,             | 1,2,3,4,6,7,8,   | 4,               |       |
| 5          | PUS5      | Weak alignment with developmental goals | 5,               | 1,2,3,4,5,6,7,8, | 5,               | 1     |
| 6          | PUS6      | Inefficient resource use                | 3,4,5,6,7,8,     | 1,2,3,6,7,8,     | 3,6,7,8,         |       |
| 7          | PUS7      | Dependence on government policies       | 3,4,5,6,7,8,     | 1,2,3,6,7,8,     | 3,6,7,8,         |       |
| 8          | PUS8      | Lack of accountability mechanisms       | 3,4,5,6,7,8,     | 1,2,3,6,7,8,     | 3,6,7,8,         |       |

**Table 13: Enabler Iteration 2**

| Serial No. | Variables | Csr Barriers | Reachability set | Antecedent set | Intersection set | Level |
|------------|-----------|--------------|------------------|----------------|------------------|-------|
|------------|-----------|--------------|------------------|----------------|------------------|-------|

|   |      |                                         |                |               |          |   |
|---|------|-----------------------------------------|----------------|---------------|----------|---|
| 1 | PUS1 | Bureaucratic delays                     | 1,2,3,4,6,7,8, | 1,            | 1,       |   |
| 2 | PUS2 | Top-down planning                       | 2,3,4,6,7,8,   | 1,2,          | 2,       |   |
| 3 | PUS3 | Over-reliance on philanthropic models   | 3,4,6,7,8,     | 1,2,3,6,7,8   | 3,6,7,8, |   |
| 4 | PUS4 | Limited community participation         | 4,             | 1,2,3,4,6,7,8 | 4,       | 2 |
| 5 | PUS5 | Weak alignment with developmental goals |                | 1,2,3,4,6,7,8 |          | 1 |
| 6 | PUS6 | Inefficient resource use                | 3,4,6,7,8,     | 1,2,3,6,7,8,  | 3,6,7,8, |   |
| 7 | PUS7 | Dependence on government policies       | 3,4,6,7,8,     | 1,2,3,6,7,8,  | 3,6,7,8, |   |
| 8 | PUS8 | Lack of accountability mechanisms       | 3,4,6,7,8,     | 1,2,3,6,7,8,  | 3,6,7,8, |   |

**Table 14: Enabler Iteration 3**

| Serial No. | Variables | Csr Barriers                            | Reachability set | Antecedent set | Intersection set | Level |
|------------|-----------|-----------------------------------------|------------------|----------------|------------------|-------|
| 1          | PUS1      | Bureaucratic delays                     | 1,2,3,6,7,8,     | 1,             | 1,               |       |
| 2          | PUS2      | Top-down planning                       | 2,3,6,7,8,       | 1,2,           | 2,               |       |
| 3          | PUS3      | Over-reliance on philanthropic models   | 3,6,7,8,         | 1,2,3,6,7,8,   | 3,6,7,8,         | 3     |
| 4          | PUS4      | Limited community participation         |                  | 1,2,3,6,7,8,   |                  | 2     |
| 5          | PUS5      | Weak alignment with developmental goals |                  | 1,2,3,6,7,8,   |                  | 1     |
| 6          | PUS6      | Inefficient resource use                | 3,6,7,8,         | 1,2,3,6,7,8,   | 3,6,7,8,         | 3     |
| 7          | PUS7      | Dependence on government policies       | 3,6,7,8,         | 1,2,3,6,7,8,   | 3,6,7,8,         | 3     |
| 8          | PUS8      | Lack of accountability mechanisms       | 3,6,7,8,         | 1,2,3,6,7,8,   | 3,6,7,8,         | 3     |

**Table 15: Enabler Iteration 4**

| Serial No. | Variables | Csr Barriers                          | Reachability set | Antecedent set | Intersection set | Level |
|------------|-----------|---------------------------------------|------------------|----------------|------------------|-------|
| 1          | PUS1      | Bureaucratic delays                   | 1,2,             | 1,             | 1,               |       |
| 2          | PUS2      | Top-down planning                     | 2,               | 1,2,           | 2,               | 4     |
| 3          | PUS3      | Over-reliance on philanthropic models |                  | 1,2,           |                  | 3     |

|   |      |                                         |  |      |  |   |
|---|------|-----------------------------------------|--|------|--|---|
| 4 | PUS4 | Limited community participation         |  | 1,2, |  | 2 |
| 5 | PUS5 | Weak alignment with developmental goals |  | 1,2, |  | 1 |
| 6 | PUS6 | Inefficient resource use                |  | 1,2, |  | 3 |
| 7 | PUS7 | Dependence on government policies       |  | 1,2, |  | 3 |
| 8 | PUS8 | Lack of accountability mechanisms       |  | 1,2, |  | 3 |

**Table 16: Enabler Iteration 5**

| Serial No. | Variables | Csr Barriers                            | Reachability set | Antecedent set | Intersection set | Level |
|------------|-----------|-----------------------------------------|------------------|----------------|------------------|-------|
| 1          | PUS1      | Bureaucratic delays                     | 1,               | 1,             | 1,               | 5     |
| 2          | PUS2      | Top-down planning                       |                  | 1,             |                  | 4     |
| 3          | PUS3      | Over-reliance on philanthropic models   |                  | 1,             |                  | 3     |
| 4          | PUS4      | Limited community participation         |                  | 1,             |                  | 2     |
| 5          | PUS5      | Weak alignment with developmental goals |                  | 1,             |                  | 1     |
| 6          | PUS6      | Inefficient resource use                |                  | 1,             |                  | 3     |
| 7          | PUS7      | Dependence on government policies       |                  | 1,             |                  | 3     |
| 8          | PUS8      | Lack of accountability mechanisms       |                  | 1,             |                  | 3     |

**Table 17: Level Partitioning**

| Serial No. | Variables | Csr Barriers                            | Reachability set | Antecedent set   | Intersection set | Level |
|------------|-----------|-----------------------------------------|------------------|------------------|------------------|-------|
| 1          | PUS1      | Bureaucratic delays                     | 1,               | 1,               | 1,               | 5     |
| 2          | PUS2      | Top-down planning                       | 2,               | 1,2,             | 2,               | 4     |
| 3          | PUS3      | Over-reliance on philanthropic models   | 3,6,7,8,         | 1,2,3,6,7,8,     | 3,6,7,8,         | 3     |
| 4          | PUS4      | Limited community participation         | 4,               | 1,2,3,4,6,7,8,   | 4,               | 2     |
| 5          | PUS5      | Weak alignment with developmental goals | 5,               | 1,2,3,4,5,6,7,8, | 5,               | 1     |
| 6          | PUS6      | Inefficient resource use                | 3,6,7,8,         | 1,2,3,6,7,8,     | 3,6,7,8,         | 3     |

|   |      |                                   |          |              |          |   |
|---|------|-----------------------------------|----------|--------------|----------|---|
| 7 | PUS7 | Dependence on government policies | 3,6,7,8, | 1,2,3,6,7,8, | 3,6,7,8, | 3 |
| 8 | PUS8 | Lack of accountability mechanisms | 3,6,7,8, | 1,2,3,6,7,8, | 3,6,7,8, | 3 |

#### 4.2.4 CONICAL MATRIX:

A conical matrix is formed from a partitioned reachability matrix by rearranging the variables according to their hierarchical levels. This method groups all the variables of the same level, which are then utilised to create the final digraph. In the study, Variable 5 was found to be at Level 1. Variable 4 was at Level 2, Variables 3,6,7 and 8 were at Level 3, Variable 2 was at Level 4, and Variable 1 was found at Level 5. After rearranging the variables according to their levels, the conical matrix was constructed (Table 18).

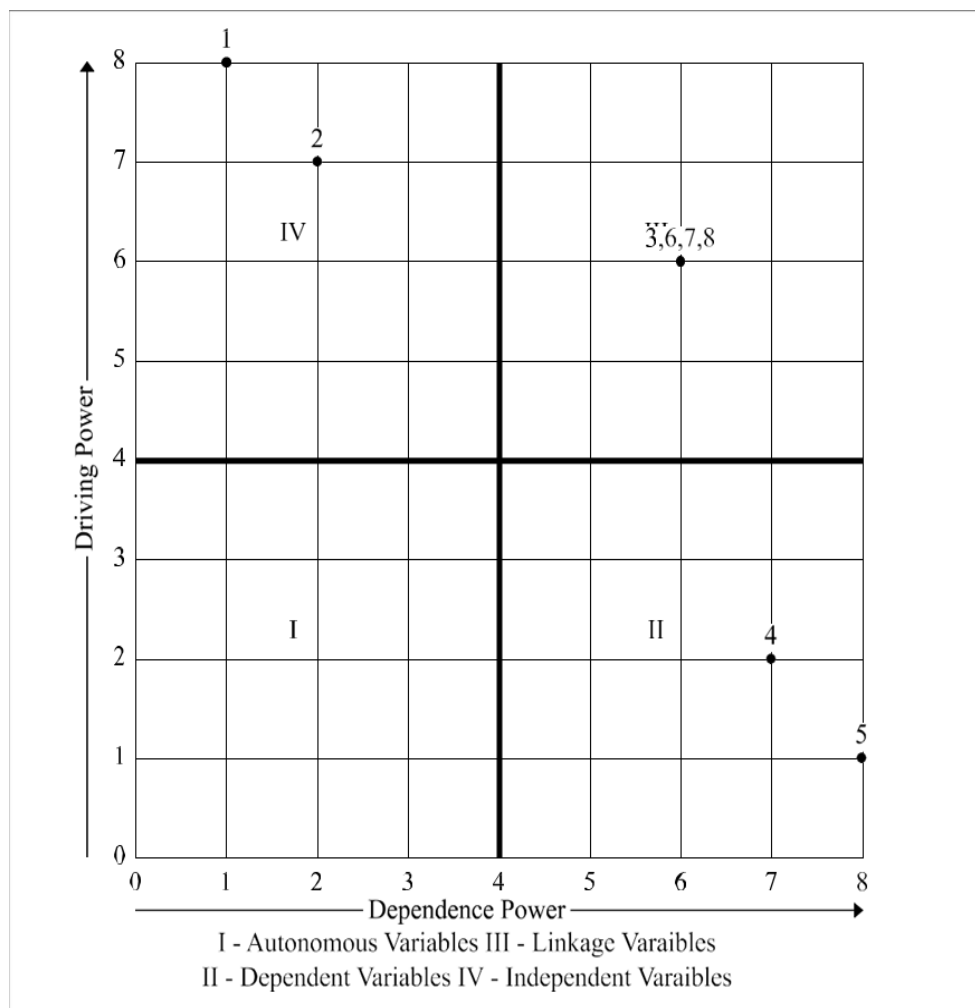
**Table 18: Conical Matrix**

| Variables        | Csr Barriers                            | 5 | 4 | 3  | 6  | 7  | 8  | 2 | 1 | Driving Power | Level |
|------------------|-----------------------------------------|---|---|----|----|----|----|---|---|---------------|-------|
| PUS5             | Weak alignment with developmental goals | 1 | 0 | 0  | 0  | 0  | 0  | 0 | 0 | 1             | 1     |
| PUS4             | Limited community participation         | 1 | 1 | 0  | 0  | 0  | 0  | 0 | 0 | 2             | 2     |
| PUS3             | Over-reliance on philanthropic models   | 1 | 1 | 1  | 1  | 1  | 1  | 0 | 0 | 6             | 3     |
| PUS6             | Inadequate resource use                 | 1 | 1 | 1* | 1  | 1  | 1  | 0 | 0 | 6             | 3     |
| PUS7             | Dependence on government policies       | 1 | 1 | 1  | 1  | 1  | 1  | 0 | 0 | 6             | 3     |
| PUS8             | Lackof accountability mechanisms        | 1 | 1 | 1  | 1  | 1* | 1  | 0 | 0 | 6             | 3     |
| PUS2             | Top-down planning                       | 1 | 1 | 1  | 1* | 1  | 1  | 1 | 0 | 7             | 4     |
| PUS1             | Bureaucratic delays                     | 1 | 1 | 1  | 1  | 1* | 1* | 1 | 1 | 8             | 5     |
| Dependence Power |                                         | 8 | 7 | 6  | 6  | 6  | 6  | 2 | 1 |               |       |
| Level            |                                         | 1 | 2 | 3  | 3  | 3  | 3  | 4 | 5 |               |       |

#### 4.2.5 MICMAC ANALYSIS

Enablers/barriers for the CSR implementation are divided into four categories: linkage, independent, autonomous and dependent enablers. These are evaluated depending upon their dependence rank and driving power, as presented in Figure 3.

Figure 3: MICMAC Analysis



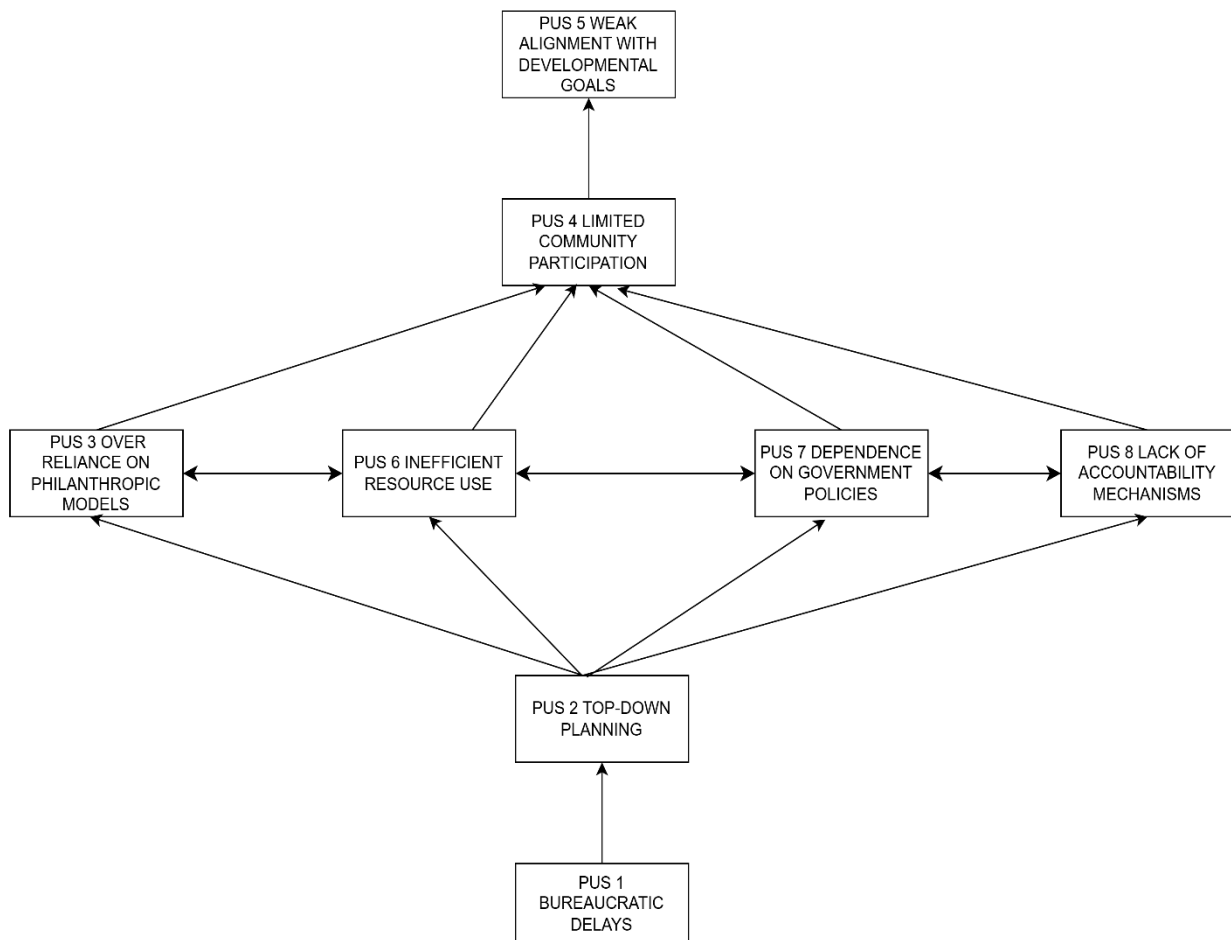
In the MICMAC analysis, CSR barriers were categorised in four clusters stated above. Cluster IV, which contains the driving variables, includes bureaucratic delays (PUS 1) and top-down planning (PUS2). This shows that these variables are the primary barriers to CSR implementation in the public sector enterprises. Cluster III (linkage variables) has four variables those are over-reliance on philanthropic models (PUS 3), inadequate use of resources (PUS 6), dependence on government policies (PUS 7) and lack of accountability mechanisms (PUS 8). Linking variables serve as the connection between the variables in Cluster IV and those in Cluster II. These barriers play a crucial role in the execution of CSR. Cluster II, which has the dependent variables, has two variables that are limited community participation (PUS 4), weak alignment with developmental goals (PUS 5). These

variables have high dependence on other variables and weak driving power. This model does not include any variables within Cluster I (autonomous variables). Autonomous variables have weak driving power and weak dependence power. Hence, it shows that the CSR barriers of the public sector enterprises make a tightly knit ISM model.

#### 4.2.6 DIAGRAM BASED MODEL FOR BARRIERS TO CSR IMPLEMENTATION

Figure 4 illustrates a concluding diagram constructed using the final reachability matrix, on the basis of a structural model. This diagram is constructed after removing transitivity relationships. The arrows represent the connections between enablers 'i' and 'j'.

**Figure 4: ISM of enablers for barriers to CSR implementation in Public Sector Enterprises**



The ISM technique was used to construct a hierarchical model (Figure 4) that demonstrates the interconnections among the identified barriers to CSR implementation in public sector enterprises. The final model shown in Figure 4 organises these barriers into a distinct five-level structure. This hierarchy offers critical insights into the driving and dependence power of each factor.

At the base of the hierarchy (Level 5) lie the foundational barriers with the highest driving power: PUS1 (Bureaucratic delays). The model identifies that bureaucratic delays are the primary driver obstructing CSR implementation in public sector enterprises. As it is positioned at the bottom of the model, this indicates that it is the root cause that affects other barriers but is not significantly affected by them. At Level 4 of the model lies the barrier PUS2 (Top-down planning). This barrier is influenced by the foundational barriers at Level 5 and, in turn, affects the outcome barriers at Level 3

(PUS3 Over-reliance on philanthropic model, PUS6 Inefficient resource use, PUS7 Dependence on government policies and PUS8 Lack of accountability mechanisms) which are bureaucratic delays directly leading to top-down planning. At Level 3 of the model, there are PUS3 (Over-reliance on the philanthropic model) PUS6 (Inefficient resource use), PUS7 (Dependence on government policies) and PUS8 (Lack of accountability mechanisms). The top-down planning process encourages an over-reliance on the philanthropic model. At Level 2, there is PUS4 (Limited community participation). When planning is conducted from the top down and follows philanthropic approaches, it automatically leads to limited community participation. The top of the hierarchy (Level 1) comprises one dependent barrier: PUS 5 (Weak alignment with developmental goals). This variable has high dependence and low driving powers, which means it is the outcome of more

powerful underlying barriers; that is, this factor depends on other barriers and do not strongly influence other factors.

## **5. Discussions:**

In this research, Interpretive Structural Modelling (ISM) was used to identify and investigate several barriers to CSR implementation and also to find the interconnections among the barriers to CSR in both public and private sector enterprises. The outcomes of the models show the root causes or the foundational challenges for each sector. The analysis done above shows two different reasons for the ineffectiveness in the implementation of CSR. The analysis showed the public sector's challenges are rooted in rigid administrative processes, whereas economic and resource-based pressures are the major difficulties faced by the private sector.

The public sector model highlights a hierarchical chain that originates from a single dominant root cause, that is PUS1 (Bureaucratic delays). This procedural barrier sets a chain reaction leading in order to PUS2 (Top-down planning), PUS3 (Over-reliance on philanthropic models) and finally PUS4 (Limited community participation). The fundamental issue of bureaucratic inefficiency hinders the efforts towards a successful and participatory approach to CSR.

In the private sector, the model is constructed on a broad base of three interconnected barriers: PRS1 (Profitability pressures), PRS2 (Lack of expertise) and PRS3 (Limited financial resources). This suggests that the major barriers are both strategic and financial. PRS4 (Weak stakeholder engagement) is the crucial linkage barrier on which the other three core issues have converged. The model highlights that when companies are hindered by profit-driven motives and a lack of resources and expertise, their first significant loss is their capacity to effectively engage with the stakeholders. This lack of engagement then directly results in several top-level operational issues, such as unclear guidelines, fragmented value chains and inadequate evaluations.

Although the underlying causes differ, there is a similarity at the hierarchical levels of both the

enterprises. "Limited community participation" from the public sector and "Weak stakeholder engagement" from the private sector, both barriers highlight a core failure, that is the inability to effectively engage and involve the intended beneficiaries of these initiatives. After investigating each barrier of the public and private sector enterprises, it was found that there is a common point of failure that leads to similar results in both sectors, such as weak alignment with goals, inefficient use of resources and lack of accountability.

## **6. Conclusion:**

The paper contributes to a deeper understanding of the enablers of the barriers to CSR implementation in both public and private sector enterprises. The main finding of this research is that, in the public sector, CSR issues arise from deeply rooted bureaucratic procedures, whereas the private sectors are driven by economic and resource constraints.

The findings of the study hold significant implications for both policymakers and managers, and implementing a universal strategy to promote CSR is likely to be ineffective.

In the public sector, it is crucial to focus on administrative reform. Initially, addressing the bureaucratic delays should be the main focus, to enable more decentralised, adaptable and inclusive planning models. The aim should be to move beyond basic charitable donations and empower communities to actively participate as partners.

In the private sector, interventions should be based on the business rationale for CSR. Strategies need to address profitability pressures by showcasing long-term benefits, enhancing internal expertise through training, and exploring innovative financial models for social projects. The key area for progress is encouraging genuine stakeholder engagement.

This study demonstrates the effectiveness of ISM in breaking down complex issues and offering a strategic roadmap for action. Future research could expand these models by applying them to specific industries or performing cross-national analyses to further enhance our understanding of the barriers to effective CSR implementation.

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