

## Cultural Determinants of CSR Practices: An Exploratory Study of Multinational Corporations in Nepal

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### Abstract

**Purpose:** This study examines how cultural dimensions shape the prioritization, design, and implementation of corporate social responsibility (CSR) initiatives by multinational corporations (MNCs) operating in Nepal. It seeks to understand how local cultural contexts influence CSR decision-making processes within developing economies.

**Design/methods/approach:** Adopting an interpretive qualitative approach, the study employs an exploratory multiple-case design. Five purposively selected MNCs representing diverse industries were investigated. Data were collected through semi-structured interviews with senior executives and managerial-level employees. The interviews were transcribed, systematically coded, and analyzed thematically using MAXQDA to identify recurring cultural patterns influencing CSR strategies.

**Findings:** The analysis revealed five central cultural determinants shaping CSR practices: cultural norms and values, cultural timing, cultural dynamics, cultural sensitivity, and culturally driven resource allocation. The findings indicate that CSR initiatives in Nepal are not solely guided by global corporate frameworks but are significantly adapted to align with local societal expectations, relational norms, and contextual priorities.

**Implications:** The study provides strategic insights for MNC managers and policymakers seeking to design culturally responsive CSR programs in emerging markets. It highlights the importance of integrating cultural intelligence into CSR planning to enhance legitimacy, stakeholder engagement, and long-term sustainability outcomes.

**Originality/value:** By integrating cultural analysis with CSR strategy in a developing country context, this research addresses a significant gap in the literature. It advances understanding of how localized cultural forces mediate global CSR frameworks and contributes to interdisciplinary scholarship linking CSR, cross-cultural management, and institutional theory.

**Keywords:** CSR, cultural dynamics, multinational corporations, prioritization, stakeholders

**JEL Classification:** M14, F23, 053

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## Introduction

CSR has become a central pillar of contemporary business practice, requiring firms to integrate social and environmental concerns into their core economic objectives (Lindholm, 2018; Camilleri, 2017). Rather than being limited to philanthropic engagement, CSR represents a strategic process through which organizations embed ethical, social, and environmental considerations into their values, culture, and long-term strategy in a transparent and accountable manner (Vuong et al., 2021; Nguyen et al., 2021). In doing so, firms aim to create sustainable business models that address national and global challenges while generating long-term value for shareholders and society (Tulder et al., 2021).

The evolution from a firm-centric CSR model toward a stakeholder-oriented framework reflects a broader cultural systems perspective, emphasizing the interdependence between corporations and the societies in which they operate (Davidson et al., 2018). This shift moves beyond analyzing how CSR is communicated to examining how institutional arrangements and cultural systems shape CSR structures and practices (Aslaksen et al., 2021). Considerable regional variation persists in both the adoption and depth of CSR engagement across host countries. For multinational corporations (MNCs), operating across multiple institutional and cultural contexts presents complex challenges in aligning global CSR standards with local expectations (Acquier et al., 2018). Embedded in diverse relational networks and governance environments (Schotter et al., 2017), MNCs must balance global integration with local responsiveness. When cultural diversity is effectively acknowledged and incorporated, CSR initiatives can enhance corporate legitimacy, stakeholder trust, employee engagement, and reputational capital (Bu et al., 2022).

In Nepal, a country characterized by rich cultural traditions and diverse socio-economic dynamics, the growing presence of MNCs has intensified the relevance of culturally aligned CSR strategies. Prominent firms such as Unilever, Dabur Nepal, Ncell, Standard Chartered Bank, Samsung, PepsiCo, The Coca-Cola Company, Tuborg, Nabil Bank, and Nepal SBI Bank operate within this complex environment. Despite their global experience, these MNCs frequently encounter cultural barriers in implementing CSR initiatives. Cultural misalignment may result in ineffective strategies, stakeholder resistance, reputational risks, and diminished social impact (Dziubaniuk et al., 2022).

Empirical evidence suggests that cultural differences often lead to mismatched CSR priorities and limited stakeholder engagement (Yunis et al., 2018). Studies by Jiang et al. (2018) and Chisha (2017) further highlight the difficulties MNCs face in identifying contextually relevant CSR domains, designing culturally sensitive programs, and engaging heterogeneous stakeholder groups. Poorly designed CSR initiatives can generate unintended consequences, including reputational damage and weakened community relationships (Branco & Rodrigues, 2006). As Latif et al. (2022) note, neglecting cultural considerations may provoke skepticism and resistance toward both the organization and its CSR efforts. Consequently, the prioritization and implementation of CSR become significantly more complex in culturally diverse contexts.

Although CSR remains widely debated within academic and professional circles (Carroll, 2021; Godfrey & Hatch, 2007; Matten & Crane, 2005), much of the comparative research on CSR and cultural dynamics has been concentrated in developed economies (Ali et al., 2010). Existing scholarship has examined themes such as employee engagement, stakeholder perception, ethical considerations, and cross-cultural CSR communication. However, the understanding of how cultural dynamics shape CSR decision-making processes in developing nations remains underdeveloped.

In Nepal, the institutional landscape is evolving. Government policies increasingly encourage or mandate CSR engagement, and awareness among stakeholders, customers, and employees is rising (Chapagain, 2020; Sthapit, 2021). Nevertheless, corporate interpretations of CSR often remain narrowly focused on philanthropy rather than strategic integration. While cross-cultural CSR strategies have been extensively explored in Western contexts, limited empirical evidence exists regarding how MNCs navigate Nepal's unique cultural and institutional environment (Tsourvakas & Yfantidou, 2018).

Against this backdrop, the present study aims to identify and analyze the key cultural elements that influence the prioritization and implementation of CSR initiatives by MNCs operating in Nepal. By examining how cultural norms, values, relational systems, and contextual expectations shape CSR strategies, this research contributes to the broader CSR literature by extending cross-cultural analysis to a developing economy context. The findings offer both theoretical contributions, bridging CSR and cultural systems perspectives, and practical guidance for MNCs seeking to design culturally responsive CSR strategies that align global standards with local societal needs.

## **Literature Review**

### ***Cultural Dynamics and CSR: Theoretical and Empirical Foundations***

Existing scholarship has extensively explored the intersection between corporate social responsibility (CSR) and cultural contexts, though with varying focal points and methodological orientations. A substantial body of research has examined how CSR contributes to sustainable competitive advantage, organizational reputation, firm performance, and internal cultural alignment (e.g., Siyal et al., 2022; Saeidi et al., 2015; Anthony & Hong, 2014). These studies collectively suggest that CSR, when embedded within an organization's value system and strategic orientation, enhances both tangible and intangible performance outcomes. In particular, organizational culture has been identified as a mediating mechanism that translates CSR commitments into operational practices and stakeholder perceptions (Nyuur et al., 2019; Myeongju & Hyunok, 2017).

Beyond the firm level, scholars have increasingly emphasized the influence of national culture on CSR implementation (Ashour et al., 2020). Cultural norms, ethical traditions, and institutional arrangements shape how businesses interpret their social obligations and prioritize stakeholder interests. However, much of this empirical work is geographically concentrated in Asia and the Middle East, with comparatively fewer contributions from Europe and North America (White & Alkandar, 2019; Minoja et al., 2022). Methodologically, the literature is dominated by quantitative approaches—particularly Structural Equation Modeling (SEM) and regression-based analyses—used

to examine relationships among CSR, stakeholder engagement, firm performance, and competitive advantage (Yang & Ou, 2008; Gafen et al., 2000).

More recent research has begun to recognize the pivotal role of executives and senior decision-makers in shaping CSR strategies (Nyuur et al., 2019; Minoja et al., 2022). These studies argue that CSR is not solely an institutional response but also a managerial choice influenced by leadership values, cultural intelligence, and strategic vision. This shift signals the need for more interpretive and qualitative investigations that capture the cognitive and cultural dimensions of CSR decision-making.

Theoretically, diverse frameworks have enriched understanding of CSR within cross-cultural environments. Models such as Hofstede's cultural dimensions theory, stakeholder theory, institutional theory, communication accommodation theory, and cultural intelligence theory offer complementary lenses for examining how multinational corporations (MNCs) adapt CSR initiatives across borders. These perspectives illuminate how firms seek legitimacy, negotiate stakeholder expectations, and recalibrate communication strategies in culturally pluralistic settings. Nevertheless, despite this theoretical richness, there remains limited integration of these perspectives in empirical studies focused on developing economies.

### ***CSR in Developed and Developing Economies: Institutional Contrasts and Emerging Challenges***

The expanding global footprint of multinational corporations has intensified scholarly attention on how CSR practices differ between developed and developing contexts (Garvey & Newell, 2005; Matten & Crane, 2005). Institutional environments—comprising regulatory systems, governance structures, economic priorities, and cultural norms—play a decisive role in shaping CSR orientation.

In developed economies such as the United States and the United Kingdom, CSR is largely driven by strong corporate governance standards, active shareholder engagement, and stringent environmental regulations (Halkos & Skouloudis, 2017). Firms in these regions often adopt a triple-bottom-line approach that systematically integrates economic, social, and environmental performance into strategic planning (Gajadhur, 2022). For instance, MNCs in the United States reportedly allocated approximately \$20.6 billion toward CSR initiatives, with a strong emphasis on environmental sustainability and governance structures (Fobes, 2020).

In contrast, developing countries frequently operate within weaker regulatory frameworks and less stringent enforcement mechanisms, resulting in CSR practices that are more philanthropic than strategic (Latif et al., 2020; Gajadhur, 2022). In China, for example, corporate social investments of around \$5 billion have largely focused on community development and employee welfare (China CSR Report, 2020), reflecting distinct socio-political and cultural priorities. Similarly, in India, The Coca-Cola Company implemented the “Support My School” initiative to enhance sanitation and infrastructure in rural schools, aligning CSR initiatives with community-oriented values. Meanwhile, Nestlé has localized its CSR strategy in several African countries by strengthening agricultural supply chains and supporting local farmers, demonstrating cultural responsiveness and contextual adaptation.

These variations highlights that CSR cannot be effectively implemented through a standardized global model. MNCs must navigate diverse stakeholder expectations, ethical norms, and institutional pressures, making contextual sensitivity a strategic necessity rather than an optional consideration.

In South Asia, persistent challenges—including corruption, inconsistent regulatory enforcement, and divergent ethical standards—have complicated CSR implementation. Empirical findings suggest that a significant proportion of firms in the region struggle to adapt global CSR frameworks to local socio-cultural realities (Latif et al., 2020). Nepal, in particular, remains at an emerging stage of CSR institutionalization. Recent evidence indicates that only a minority of Nepalese firms consistently engage in structured CSR activities, with most initiatives concentrated in health and education sectors (Adhikari et al., 2024).

Nonetheless, Nepal has made progress in formalizing CSR requirements. The Industrial Enterprise Act 2016 mandates that industries allocate at least one percent of annual profits toward CSR activities, with guidelines encouraging investment in health, education, community development, and environmental protection. Despite this regulatory advancement, enforcement gaps and limited institutional coordination continue to hinder nationwide harmonization of CSR practices.

Moreover, the global agenda of the Sustainable Development Goals (SDGs) has amplified expectations for corporate engagement in poverty reduction, gender equality, inclusive growth, and environmental sustainability. While CSR in developing economies often manifests through philanthropy and community outreach, structural constraints—such as weak legal systems and resource limitations—pose ongoing obstacles. Variations in cultural values, educational levels, and stakeholder awareness further explain the uneven integration of CSR across South Asian countries, including India, Indonesia, Nepal, Malaysia, and Bangladesh.

Taken together, the literature highlights a growing recognition of culture as a critical variable in CSR strategy formation. However, empirical gaps persist, particularly regarding how MNCs operating in developing countries reconcile global CSR frameworks with localized cultural expectations. Addressing this gap requires context-sensitive, qualitative inquiry capable of uncovering the nuanced interplay among culture, institutions, managerial cognition, and CSR implementation.

## **Research Methods**

This research employed an interpretive qualitative approach to examine the relationship between CSR practices and cultural differences among multinational corporations operating in Nepal. The interpretivist paradigm was considered appropriate because it emphasizes subjective meaning, context-specific realities, and the socially constructed nature of organizational practices. Given that CSR and culture are deeply embedded in values, perceptions, and lived experiences, this philosophical stance enabled a nuanced exploration of how managers interpret and operationalize CSR within diverse cultural settings. By acknowledging multiple perspectives, the approach facilitated a rich understanding of the complexity surrounding CSR decision-making in cross-cultural environments.

To achieve these objectives, the study adopted an exploratory multiple-case study design, consistent with the principles outlined by Merriam (1998), who conceptualizes a case study as an in-depth examination of a bounded system or phenomenon. This methodological strategy allowed for comprehensive investigation across several organizations while preserving the contextual uniqueness of each case. The multiple-case format strengthened the analytical rigor of the study by enabling cross-case comparisons and generating deeper theoretical insights into how cultural factors shape CSR prioritization and implementation within MNCs.

Kathmandu Valley was purposively selected as the geographical focus of the study. As the economic and administrative center of Nepal, it hosts a significant concentration of multinational corporations and serves as the hub for corporate decision-making. The region is also characterized by notable cultural diversity, making it particularly relevant for examining cross-cultural dynamics. Furthermore, the headquarters of many MNCs are located in Kathmandu Valley, providing practical access to key informants such as senior executives, managers, and CSR officers. The majority of policy discussions, stakeholder engagements, advocacy movements, and public debates concerning CSR in Nepal have also historically been centered in this region, further justifying its selection as the research site.

A purposive sampling strategy was employed to identify relevant participants. Since CSR strategy formulation and implementation are typically overseen by senior management, the study specifically targeted top-level executives, managers, and CSR officers who possess decision-making authority and strategic insight. Five multinational corporations were selected based on three primary criteria:

- **Industry representation:** Companies were drawn from diverse sectors, including financial services, telecommunications, and fast-moving consumer goods (FMCG), to capture variation in CSR practices across industries.
- **Organizational size and structure:** Firms of varying scale and resource capacity were included to reflect differences in market presence, operational complexity, and CSR investment capabilities.
- **Demonstrated CSR engagement:** Only companies with visible and active involvement in CSR initiatives—either through recognized programs or prior CSR awards—were selected to ensure the relevance of the inquiry.

Primary data were collected through semi-structured interviews with consenting participants. The data collection process unfolded in several stages. Initially, the researcher formally contacted targeted organizations to request participation. Upon receiving consent, interview guides were shared either electronically or in person, depending on participant preference. Interviews were subsequently scheduled with executives, managers, and CSR officers and conducted using a structured yet flexible interview protocol to ensure consistency while allowing participants to elaborate on context-specific experiences.

The interviews were conducted over two months, from March to June, with each session lasting approximately 30 to 45 minutes. This duration allowed sufficient depth while maintaining participant engagement.

For data analysis, the study followed six systematic analytical procedures proposed by Merriam (1998): transcription, familiarization with the data, coding, categorization, data reduction, and interpretation and synthesis. Interview recordings were transcribed verbatim, and repeated readings were undertaken to achieve immersion in the data. Codes were initially developed deductively based on existing CSR and cultural frameworks and were subsequently refined through iterative comparison. Thematic categorization was facilitated using the free trial version of MAXQDA software, which supported systematic organization and retrieval of coded segments.

By adhering to these structured analytical procedures, the study enhanced methodological rigor and ensured credibility, consistency, and analytical transparency. The combination of multiple cases, purposive sampling, systematic coding, and cross-case comparison contributed to both internal coherence and analytical transferability of findings within similar emerging-market contexts.

## Results

### *Socio-Demographic Characteristics*

The demographic profile of the five participants, each serving in CSR and communication-related roles, offered valuable insights into how cultural variations shape the prioritization and execution of CSR initiatives within multinational corporations. To ensure confidentiality and protect participant identities, the researcher assigned pseudonyms labeled P1 through P5.

Among the respondents, all male participants possessed a minimum of four years of professional experience in CSR-related positions. The two female participants each had at least two years of experience working as CSR and Communication officers. This range of experience contributed to a well-informed understanding of CSR strategy and its cultural dimensions within their respective organizations.

Table 1  
*Socio-Demographic Characteristics*

<b>Case</b>	<b>Gender</b>	<b>Current Position</b>	<b>Nature of MNCs</b>
P1	Male	CSR Officer	Bank
P2	Male	CSR Officer	Telecommunication
P3	Female	CSR and Communication officer	FMCG
P4	Male	CSR officer	Hospitality
P5	Female	CSR and Communication Officer	FMCG

## ***Thematic Analysis of CSR and Cultural Differences in MNCs Operating in Nepal***

The transcripts of all five participants were thoroughly examined multiple times and systematically coded to identify recurring patterns and themes. Initial codes, often represented as single words or short phrases, were grouped into broader categories, ultimately yielding five primary themes, each encompassing several sub-themes. The five emergent themes were: (a) Cultural Norms and Values, (b) Cultural Timing, (c) Cultural Dynamics, (d) Cultural Sensitivity, and (e) Cultural Resource Allocation.

**Theme 1: Cultural Norms and Values:** Cultural norms and values refer to the collective beliefs, traditions, behaviors, attitudes, and social practices that define a group, shaping individuals' perspectives, communication styles, and societal expectations. This theme emphasizes how MNCs align CSR initiatives with these culturally rooted standards. Two sub-themes emerged: Holistic Value Integration and Stakeholder Alignment.

**Holistic Value Integration** involves incorporating local cultural norms into CSR strategies, emphasizing heritage preservation, religious respect, and community impact. As one participant stated:

*“For us, it’s not just about charity; we aim to become an integral part of the community. Our projects respect local heritage, traditions, and cultural sustainability, fostering belonging and stronger community ties” (P1).*

**Stakeholder Alignment** focuses on engaging stakeholders—local communities, consumers, and partners- to ensure CSR initiatives resonate with their values. A participant highlighted:

*“Our stakeholders are contributors, not just recipients. We involve them in decision-making so that our CSR initiatives reflect the cultural diversity of the communities we serve” (P3).*

These excerpts highlight the importance of culturally aware CSR strategies, where active stakeholder engagement and integration of local values enable sustainable, long-term community engagement.

**Theme 2: Cultural Timing:** Cultural timing relates to strategically aligning CSR initiatives with Nepal’s religious and cultural calendar, optimizing community engagement during major festivals and events. Two sub-themes emerged: Festival-Centric Planning and Adaptive Project Scheduling.

**Festival-Centric Planning** highlights the deliberate alignment of CSR projects with key festivals such as Teej, Holi, Dashain, Tihar, and Christmas. One participant explained:

*“Festivals are moments of greater community spirit. We schedule CSR projects during these festivities to leverage the celebratory energy and make a lasting impact” (P3).*

**Adaptive Project Scheduling** involves modifying project timelines to respect cultural events and community priorities. Participants emphasized delaying initiatives when cultural events occur, ensuring CSR programs are culturally sensitive and community-centric (P2, P5).

These strategies illustrate how MNCs integrate CSR initiatives into local cultural rhythms, transforming CSR from a mere corporate activity to a meaningful part of communal life.

**Theme 3: Cultural Dynamics:** Cultural dynamics refer to the evolving patterns, interactions, and modifications within a society over time. This theme highlights how CSR strategies adapt to social structures and societal changes. Two sub-themes were identified: Social Stratification Awareness and Inclusive Decision-Making.

**Social Stratification Awareness** involves acknowledging hierarchies within society, including caste, gender, economic, and ethnic disparities. Participants emphasized targeting initiatives toward marginalized groups and rural communities, addressing inequalities through education, entrepreneurship, and skill development (P2, P5).

**Inclusive Decision-Making** highlights participatory approaches that incorporate perspectives from diverse stakeholders, including local leaders, NGOs, and community members. One participant noted:

*“We engage with local community leaders, NGOs, and academic institutions to understand needs and co-create initiatives that are impactful” (P3).*

The narratives reflect a shift from top-down CSR approaches toward collaborative, networked strategies that are socially inclusive and culturally responsive.

**Theme 4: Cultural Sensitivity:** Cultural sensitivity captures awareness, understanding, and respect for diverse cultural norms, practices, and communication styles. The main sub-theme, Linguistic Inclusivity, emphasizes the use of local languages in CSR communication to ensure accessibility and resonance.

*“All CSR materials, resources, and communications are provided in local languages, which ensures successful implementation and maximizes benefits for communities” (P1).*

*“We engage community leaders and experts in local languages and incorporate storytelling techniques to convey our messages effectively” (P3).*

This approach demonstrates a strategic and empathetic communication process, ensuring CSR initiatives are both linguistically and culturally comprehensible.

**Theme 5: Cultural Resource Allocation:** Cultural resource allocation refers to the deliberate and strategic distribution of resources considering societal structures, cultural priorities, and local needs. The sub-theme Investment Prioritization and Sensitivity emerged as critical.

Participants described allocating resources to address social inequities, such as caste, gender, and ethnic disparities, while supporting health, education, and entrepreneurship programs for marginalized communities.

*“We allocate resources based on local needs, focusing on social equity and partnering with NGOs to implement impactful initiatives” (P3).*

This strategy highlights the importance of culturally informed investment decisions, ensuring that CSR resources are effectively utilized to address community-specific challenges.

## Discussion

This study provides a nuanced understanding of the major cultural factors shaping the prioritization and execution of CSR initiatives by multinational corporations (MNCs) operating in Nepal. In the context of the growing global emphasis on CSR, Nepal has witnessed a gradual evolution in corporate practices, driven in part by government regulations mandating CSR engagement, which has compelled companies to embed social responsibility more systematically into their operations.

By analyzing the five emergent themes, Cultural Norms and Values, Cultural Timing, Cultural Dynamics, Cultural Sensitivity, and Cultural Resource Allocation, this research elucidates the complex interplay between cultural contexts and CSR practices. These findings provide a comprehensive perspective on how cultural dynamics influence corporate decision-making and the implementation of socially responsible initiatives.

Cultural Norms and Values highlights the importance of embedding CSR activities within the local cultural context. The theme of holistic value integration, in particular, highlights the need for MNCs to respect heritage, traditions, and community norms, aligning with Roman et al. (2022), who emphasized that CSR is most effective when adapted to local cultural realities. Participants' expressed commitment to becoming "integral members" of their communities resonates with Freeman's Stakeholder Theory, reflecting the role of corporations as active social actors rather than isolated economic entities (Dmytriiev et al., 2021).

The stakeholder engagement sub-theme reflects a shift away from traditional top-down CSR models, emphasizing co-creation and partnership with local stakeholders. This approach aligns with Carroll's CSR Pyramid, which underscores the value of relational and participatory strategies in CSR (Carroll, 2016). By involving stakeholders in decision-making, MNCs not only integrate cultural values into their corporate identity but also foster long-term trust and sustained community engagement (Dmytriiev et al., 2021).

Cultural Timing emerged as a critical factor for CSR implementation, highlighting the alignment of corporate initiatives with Nepal's religious and cultural calendar. Strategically scheduling CSR activities around major festivals such as Dashain, Tihar, Holi, and Teej illustrates a sophisticated understanding of local culture and strengthens the company-community relationship. This aligns with Porter and Kramer's (2006) concept of shared value, where business objectives are integrated with societal needs to generate mutual benefits. Adaptive project scheduling, which involves adjusting timelines to accommodate cultural events, further demonstrates the application of cultural intelligence, enabling firms to respond to local sensitivities and engage stakeholders effectively (Sharma & Hussain, 2017). The importance of cultural dynamics in shaping CSR strategies is corroborated by prior research (Jones & Rupp, 2019; Smith & Johnson, 2018), highlighting how corporations must navigate social systems while simultaneously influencing them.

The theme of Cultural Dynamics emphasizes awareness of social hierarchies, economic disparities, and ethnic diversity. Sub-themes such as social stratification awareness and inclusive decision-making reflect participants' commitment to equitable CSR initiatives, addressing inequalities in education, health, and economic opportunities. This approach resonates with Carroll and Shabana's (2010) principles of inclusive CSR and Georgallis's

(2017) framework of community-based CSR, which highlights collaboration with local leaders and stakeholders to promote sustainable development.

Cultural Sensitivity, particularly through linguistic inclusivity, highlights the importance of using local languages in CSR communication to enhance relevance, accessibility, and community engagement. Participants emphasized working with local leaders and experts to tailor messages to community preferences, consistent with cross-cultural communication theories and the insights of Drobot (2021).

Finally, Cultural Resource Allocation highlights the strategic and context-sensitive distribution of CSR resources. The sub-theme investment prioritization reflects conscious allocation decisions based on community needs, social stratification, and cultural landscapes. This aligns with the principles of strategic CSR, emphasizing resource deployment to generate shared value for both corporations and communities.

Two particularly significant findings stand out. First, MNCs deliberately synchronize CSR initiatives with key cultural and religious festivals, transforming corporate engagement into meaningful community celebrations. Second, linguistic inclusivity fosters cultural sensitivity and ensures that CSR messages are both accessible and culturally resonant, enhancing stakeholder engagement and program effectiveness.

While many MNCs successfully integrated CSR into local contexts, some initially encountered resistance from communities that perceived corporate initiatives as externally imposed or culturally misaligned. This underscores that cultural integration is not always seamless; corporations must actively adapt strategies to align CSR initiatives with local expectations, reflecting challenges noted in prior studies (Rishi & Moghe, 2013). Overall, the findings highlight the critical role of cultural intelligence, stakeholder collaboration, and contextual adaptation in shaping effective and sustainable CSR practices in Nepal.

## **Conclusion and Implications**

This study examined the key cultural factors shaping the prioritization and implementation of CSR initiatives by MNCs operating in Nepal. It highlights the critical role of cultural intelligence in fostering intercultural understanding, promoting social equity, and addressing societal hierarchies through CSR decision-making. By incorporating local norms, values, and linguistic inclusivity, MNCs can create meaningful connections with communities and ensure the long-term impact of their initiatives. Thoughtful allocation of resources further enables firms to address social disparities, support cultural preservation, and promote inclusive development. Overall, MNCs are encouraged to move beyond transactional CSR, actively contributing to the cultural, social, and economic well-being of local communities.

The five identified themes—Cultural Norms and Values, Cultural Timing, Cultural Dynamics, Cultural Sensitivity, and Cultural Resource Allocation—offer a comprehensive framework for understanding how cultural elements influence CSR priorities and execution. The study contributes to the literature by bridging CSR and cultural studies, demonstrating the multidisciplinary significance of cultural dynamics in corporate decision-making. It also integrates well-established CSR theories, including Carroll's CSR

Pyramid, Freeman's Stakeholder Theory, and Aguilera et al.'s Community-Based CSR (CBCSR), emphasizing stakeholder participation, inclusive decision-making, and alignment of CSR programs with societal and cultural values.

The findings suggest that MNCs should adopt adaptive leadership practices by aligning CSR initiatives with cultural festivals, promoting stakeholder engagement, and moving away from traditional top-down approaches. Inclusive decision-making, community-based initiatives, and sensitivity to socioeconomic stratification were shown to enhance the effectiveness of CSR strategies while fostering long-term sustainability, community trust, and organizational reputation.

Despite these contributions, the study has limitations. Its reliance on semi-structured interviews with top-level executives may introduce bias, and the exclusion of local CSR officers and managers limits perspectives on program implementation. Future research could adopt a mixed-methods approach and include a broader range of stakeholders to better understand how MNCs navigate cultural differences in CSR. Additionally, examining the cognitive processes of executives and stakeholders could clarify why cultural considerations are often overlooked in mainstream management practices, offering guidance for more culturally responsive and contextually grounded CSR strategies.

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## **Conflict of Interest**

The Authors declare that there is no conflict of interest.

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## **Author's BIO**

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