

## CORPORATE SOCIAL RESPONSIBILITY AND ENVIRONMENT PROTECTION - A STUDY OF INDIAN CORPORATE SECTOR

---

Mr. Vishal Anand \*

Dr. Mukesh Kumar \*\*

### ABSTRACT

*The concern of CSR is gaining considerable exposure in the scholarly literature, since CSR serves a crucial influence in company expansion and environmental preservation. This paper examines the employee's perception of CSR activities implemented by various companies under study. It also attempted to emphasize the corporate social responsibility efforts that had been implemented as well as their influence on environmental preservation and resilience. A self-administered questionnaire was designed to obtain primary data from participants. The questionnaire was used to assess reactions to CSR efforts and their influence on environmental and safety protection.*

*This research is based on the Tripple Bottom Line approach to corporate social responsibility, which links CSR to profit, people, and the environment. Employees are actively involved in the formulation of policies and plans, as well as CSR decision making in the firm, and they are the actual actors in CSR administration. As a result, there is a need to examine CSR from the perspective of employees and investigate if employee's perceptions of various CSR efforts implemented by their firm differ. 20 companies from 5 industries were investigated for their CSR efforts, and responses from 343 workers were gathered and assessed to study the variations related to CSR Components. Findings of the study revealed that Employees perception regarding CSR initiatives are positive and CSR initiatives have strong and positive impact on Environment protection and safety. To test the Hypothesis, descriptive analysis, Karl Pearson coefficient of Correlation and Linear Regression was applied.*

**Keywords-** *CSR, Perception, Environment Protection and Conservation, Indian corporate sector, CSR initiatives*

---

\* Research Scholar, Department of Commerce, J.V. Jain (P.G.) College, Saharanpur (U.P.), Chaudhary Charan Singh University, Meerut (U.P.)

\*\*Associate Professor, Department of Commerce, J.V. Jain (P.G.) College, Saharanpur (U.P.), Chaudhary Charan Singh University, Meerut (U.P.)

## **INTRODUCTION**

Incorporating Sustainability needs in company's strategy development is a primary concern for their success. There is a growing societal and commercial interest in pursuing environmental preservation and sustainability (Bansal, 2005; Eweje, 2011; Dahlsrud, 2008). This study is based on the Tripple bottom line approach of corporate social responsibility.

The triple bottom line (TBL) concept is profound and much needed for future generations. It inspires the commercial enterprise to include environment orientation in their operations for empirical manifestations of triple bottom line success (Orlitzky, 2011). It encompasses the concepts of sustainability and corporate social responsibility (CSR). The triple bottom line (environmental, social, and economic) elements define the subject of sustainability. Sustainable development is an essential component of corporate social responsibility. Many definitions of sustainable development exist (Gladwin, Kennelly, & Krause, 1995), and many of them are conceptually inadequate (Beckerman, 1994; Arora & Puranik 2004). Furthermore, there is a heated discussion about whether management motives should be operational (Siegel, 2009) or non-instrumental (Marcus & Fremeth, 2009) in promoting environmental sustainability.

The government of India launched Corporate Social Responsibility (CSR) as a revision to the Companies Act 2013, which went into effect in 2014. According to the revised companies Act 2013, any companies having net worth exceeds 500 crores, sales revenue exceeds 1000 crores, or net profit exceeds 5 crore in a certain year are obligated to devote 2% of their average annual earnings on CSR initiatives. Companies should develop a CSR policy, establish a CSR committee, and incorporate CSR initiatives in their annual report.

Managers must implement tools and techniques to make their businesses socially responsible, environmentally sustainable, and commercially competitive (Baron, 2001). They should focus on business sustainability strategy creation, implementation, control, and improvement (McGee, 1998; Hannon and Callaghan, 2011; Aguinis and Glavas, 2012). As a result, this study gives greater insight into this critical component of corporate sustainability and CSR management.

## **REVIEW OF EXISTING LITERATURE**

The literature on CSR is enormous which defines and conceptualize the term (Bowen 1953, Friedman 1970, Carroll, 1979, 1991, 1999, 2004, 2010, Freeman 1984, Wood 1990, and so on). For this paper, the World Business Council on Sustainable

Development (WBCSD) conceptualization was used, which defines CSR as “the continuing commitment by business to behaving ethically and contributing to economic development while improving the quality of life of the workforce and their families, as well as the community and society at large” (Holmes and Watts, 2010). CSR was originally explored in the 1930s, in a Harvard Review Paper that called for management's responsibilities to society (Dodd 1932). Corporate social responsibility (CSR) is a key topic on the global business agenda in today's socially conscious economy. It contributes to society via discretionary business practices and corporate philanthropy (Kotler and Lee, 2005; Porter and Kramer, 2006). According to World Bank experts, between 1995 and 2010, India was in the forefront of the world in addressing environmental concerns and improving environmental quality (Chopra, 2016). Further, the Indian government started Corporate Social Responsibility (CSR) as a mandate after the revisions in the Companies Act 2013, which went into place in 2014. This made India as the first country in the world to legitimate the CSR. Furthermore, the phenomena of environmental sensitivity and sustainability were incorporated as root level to practice CSR for the betterment of the developing nations such as India (Biswas and Roy, 2015). Mishra and Suar (2010) discovered a Favorable relationship between environmental CSR and business performance.

## **OBJECTIVES OF THE STUDY**

- (a) To investigate relationship among Employee's perception regarding CSR initiatives and Environment protection and safety in selected industries under Indian Corporate sector.
- (b) To identify the Impact of Various CSR initiatives on Environment protection and safety.

## **HYPOTHESIS**

**H01:** There is no significant relationship among employee's perception of CSR initiatives and Environment protection and Safety in selected Industries under Indian Corporate Sector.

**H02:** There is no significant impact of CSR initiatives on Environment protection and Safety.

## **RESEARCH METHODOLOGY**

A pragmatic research was undertaken to appraise employee perceptions of CSR efforts and Environment Protection and safety. Primary data was obtained from workers of 20 prominent businesses from five diverse sectors: Automobile, Banking, Petroleum

and Natural Gas, FMCG, and IT sector, related to CSR initiatives adopted by their company and their Environment impact. The self-administered questionnaire was meant to elicit employee's responses on a five-point Likert scale. Descriptive Analysis, One-Way ANOVA, and Pearson coefficient of Correlation and linear Regression modeling were used to evaluate the hypothesis.

## ANALYSIS AND FINDINGS

**Table-1**

Pearson Correlation among CSR Initiatives and Environment Protection and Safety

Pearson Correlation		CSR Initiatives	Environment Protection and Safety
CSR Initiatives	Correlation(Karl Pearson)	1	0.879
	Sig. (2-tailed)		0.001
Environment Protection and Safety	Pearson Correlation	0.879	1
	Sig. (2-tailed)	0.001	

(Source –Author's Compilation from Primary Data, significant as  $p < 0.05$ )

Karl Pearson Coefficient of Correlation was applied and results are presented in Table-1. It study the relationship between above mentioned two constructs. It is observed that there exists high degree of Positive and significant relationship between employees perception to CSR initiatives and Environment protection and safety. From the 343 observation of employee's responses R comes out to be 0.897 with  $p = .000$  shows high degree of positive and significant relationship. Thus null hypothesis **H01**: There is no significant relationship among employee's perception of CSR initiatives and Environment protection and Safety in selected Industries under Indian Corporate Sector, **stands rejected** and alternate hypothesis accepted that there exist positive relationship.

### CSR initiatives predicting Environment Protection & Safety

**Table -2.1**

Regression Analysis to study the Impact of CSR initiatives (Consolidated) on Environment protection and Safety

Regression	R	R <sup>2</sup>	Adjst R <sup>2</sup>	Change Statistics				
				R <sup>2</sup> Change	F	df1	df2	Sig.Value
1	0.879	0.773	0.773	0.773	1163.09	1	341	0.001

(Source –Author's Compilation from Primary Data)

**Table- 2.2**  
ANOVA Table of Regression Model Significance

ANOVA						
Model		Sum of Square	Df	Mean Square	F test	Sig Value
1	Regression	61.71	1	61.71	1163.09	0.001
	Residual	18.09	341	0.05		
	Total	79.81	342			
a. Dependent Variable: Environment Protection & Safety						

*(Source –Author’s Compilation from Primary Data)*

**Table-2.3**  
Coefficients of Un-standardized and Standardized Beta with t value and p value

		Coefficients (Un-standardized)		T	Sig.
		B	Std. Error		
1	Constant	0.31	0.11	2.68	0.008
	CSR Initiatives	0.93	0.03	34.10	0.001

*(Source –Author’s Compilation from Primary Data)*

Regression model predicts the values of dependent variables with the help of Independent variables with ( $R^2=0.773$ ) which is highly significant and positive. From the Table no -2.1, 2.2 and 2.3 Model exhibits that when all the CSR initiatives are taken collectively then they contribute 77.3% variation in Environment Protection and Safety. Individual contribution of Independent constructs towards Environment Protection and Safety is measured with the help of Beta and can be elaborated on the basis of p or t values. Collective CSR initiatives with beta value (Beta=0.879,  $t=34.104$  and  $p=0.00$ ) indicate significant contribution toward dependent variables as  $p<0.05$ . From the coefficients the regression equation can be written in the following manner:-

Environment protection and Safety = **0.31 + 0.93 (Consolidated CSR Initiatives)**

ANOVA Table presents the Significance of model summery stating that the regression results are significant with  $F(1,341) = 1163.09$ ,  $p=0.000$  and CSR initiatives (consolidated) predict the Environment Protection and Safety. This way the impact of CSR initiatives are studied on Environment Protection and Safety.

## CONCLUSION

In concluding remarks it can be stated that CSR is commonly linked with a method to incorporating social and environmental dimensions into company activity. In

particular, CSR approaches fall under three categories i.e. organizational generosity (Porter and Kramer, 2006), incorporating stakeholder perceptions (O'Riordan and Fairbrass, 2008), and extensively described CSR that incorporates environment attributes (CSR as corporate strategy) (European Commission, 2011). For long run survival and economic success, businesses must take an integrated and comprehensive strategy. Firms must priorities the triple bottom line, i.e. people, planet, and profit. With the prologue of sustainability, CSR has become crucial to a company's existence. For providing high-quality products at competitive prices, efforts should be made to make business operations environment friendly. CSR should not be viewed by management as a necessity to comply with legislation and social standards. CSR efforts, on the other hand, may be a consistent strategy that is recorded and assessed on a consistent basis in order to curtail the negative influence of companies on the ecosystem.

## REFERENCES

- Aguinis H, Glavas A. 2012. What we know and don't know about corporate social responsibility: A review and research agenda. *Journal of Management* 38(4): 932–968.
- Arora, B., Puranik, R., 2004. A review of corporate social responsibility in India. *Development* 47, 93e100.
- Bansal P. 2005. Evolving sustainably: A longitudinal study of corporate sustainable development. *Strategic Management Journal* 26(3): 197–218.
- Baron, D. P. (2001). Private politics, corporate social responsibility and integrated strategy. *Journal of Economics and Management Strategy*, 10, 7-45.
- Beckerman, W. (1994). Sustainable development – Is it a useful concept? *Environmental Values*, 3, 191-209.
- Biswas, A., Roy, M., 2015. Green products: an exploratory study on the consumer behaviour in emerging economies of the East. *J. Clean. Prod.* 87, 463e468.
- Bowen, H. R. (1953). *Social responsibilities of the businessman*. University of Iowa Press.
- Carroll, A. B. (1996). *Business and Society: Ethics and Stakeholder Management*. Cincinnati: Southwestern Publishing.
- Carroll, A. B. (1979). A three-dimensional conceptual model of corporate social performance. *Academy of Management Review*, 4, 497-506.
- Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business Horizons*, 34(4), 39-48.

- Carroll, A. B. (1999). Corporate social responsibility—Evolution of a definitional construction. *Business and Society*, 38(3), 268–295.
- Carroll, A.B. (2004). Managing ethically with global stakeholders: a present and future challenge. *Academy of Management Executive* 18(2): 114–120.
- Chopra, S. (2016). Eco-activities and operating performance in the computer and electronics industry. *European Journal of Operational Research*, 248(3), 971-981.
- Dahlsrud A. 2008. How corporate social responsibility is defined: An analysis of 37 definitions. *Corporate Social Responsibility and Environmental Management* 15: 1–13.
- Dodd, E. M., Jr. (1932). For whom are corporate managers trustees? *Harvard Law Review*, 45(7), 1145–1163.
- European Commission (2011). Communication from the commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: A renewed EU strategy 2011–2014 for corporate social responsibility. Brussels, Belgium: European Commission.
- Eweje G. (2011). A Shift in corporate practice? Facilitating sustainability strategy in companies. *Corporate Social Responsibility and Environmental Management* 18(3): 125–136.
- Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Marshfield, MA: Pitman.
- Friedman, M. (1970, September 13). The social responsibility of business is to increase its profits. *New York Times Magazine*.
- Gladwin, T. N., Kennelly, J. J., & Krause, T. S. (1995). Shifting paradigms for sustainable development: Implications for management theory and research. *Academy of management Review*, 20(4), 874-907.
- Hannon A, Callaghan EG (2011). Definitions and organizational practice of sustainability in the for-profit sector of Nova Scotia. *Journal of Cleaner Production* 19(8): 877–884.
- Holmes L, Watts R. (2000). *Corporate Social Responsibility: Making Good Business Sense*. World Business Council for Sustainable Development: Geneva.
- Kotler, P., & Lee, N. (2005). *Corporate social responsibility. Doing the Most Good for Your Company and Your Cause*, New Jersey.
- Marcus, A. A., & Fremeth, A. R. (2009). Green management matters regardless.

Academy of Management Perspectives, 23(3), 17-26.

- McGee J. (1998). Commentary on 'corporate strategies and environmental regulations: An organizing framework' by A. M. Rugman and A. Verbeke. *Strategic Management Journal* 19(4): 377–387.
- McWilliams A, Siegel D (2000). Corporate social responsibility and financial performance: correlation or misspecification? *Strategic Management Journal*, 21(5):603-9.
- Mishra, S., Suar, D., (2010). Does corporate social responsibility influence firm performance of Indian companies? *J. Bus. Ethics* 95, 571e601.
- O'riordan, L., & Fairbrass, J. (2008). Corporate social responsibility (CSR): Models and theories in stakeholder dialogue. *Journal of business ethics*, 83(4), 745-758.
- Orlitzky, M., Siegel, D. S., & Waldman, D. A. (2011). Strategic corporate social responsibility and environmental sustainability. *Business & society*, 50(1), 6-27.
- Porter, M., & Kramer, M. R. (2006), Strategy & society: The link between competitive advantage and corporate social responsibility. *Harvard Business Review*, 84(12), 78–92.
- Siegel, D. S. (2009). Green management matters only if it yields more green: An economic/ strategic perspective. *Academy of Management Perspectives*, 23(3), 5-16.
- Turban, D. B., & Greening, D. W. (1997). Corporate social performance and organizational attractiveness to prospective employees. *Academy of Management Journal*, 40(3), 658–672. <https://doi.org/10.5465/257057>
- Wood DJ, (1990). *Business and Society*. London: Scott, Foresman/Little, Brown Higher Education.