



CSR, Ethics and corporate strategies for environmental sustainability and economic growth

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Abstract

Corporate Social Responsibility refers to the companies incorporating social and environmental concerns in their business operations and interaction with their stake holders. Here we could find the business behave ethically and contribute to the economic development. India is the first country to make CSR mandatory following the amendment of Companies Act 2013. Companies with the Net worth INR of 500crore or more/Annual Turnover of 1000crore or more/Net profit of 5crore to spend 2% of their Average Net profits of 3years on CSR. As a part of CSR compliance business organizations can invest their profits in areas – education, poverty, gender equality and hunger. The social responsibility of business and its policies are influenced by ethics. Ethics refers to the code of conduct. Companies make a decision voluntarily to donate to a better society and a cleaner environment. Integrating social, environmental and ethical responsibilities into the governance of businesses ensures their long term success, sustainability and competitiveness. Conservation of resource becomes tremendously important. Sustainability on environmental front means actions must be taken to facilitate our natural world's renewal - recycling, cleaning contamination, limiting the pollution emitted from factories, vehicles, products. Companies are now also going for manufacturing green products which are not harmful to the environment. For the business organizations it is very important to be responsive to the social problems of society. Companies undertaking social responsibility can position their products better and increase their market share which enhances image. In case of natural calamities or accidents the company can provide medical treatment or assistance to victims to the affected people. Example of companies who has taken this social responsibility as moral responsibility are – Google, Coco-cola, BMW, Ford Motor Company, Bosch, General Electric, Microsoft, Tata Group, Mahindra, ITC etc. Environmental CSR focuses on energy use, water use, waste management, recycling, emissions and eco-friendly. CSR need not be cash donation, it can be the businesses using skills/ resources to produce a greater impact, products manufactured by companies helps in well-being and quality of life of society, partnership with NGOs helping people to build own livelihoods, thus helping to boost economy.

Keywords: eco-friendly, better society, cleaner environment, moral responsibility, long term success, economic development

Introduction

Companies are incorporating social and environmental concern in their business operations. The world is facing a serious problem such as Global warming, depletion of ozone layer, pollution which are causing harmful effects on the environment. Corporate sector, educational system, researchers, government are more concerned about environment. Howard Bowen coined the phrase “Corporate Social Responsibility” in 1953. We can find the trace record in India from independence to the companies act. India is the first country in the world to make Corporate Social Responsibility mandatory, following an amendment to the Companies Act 2013. It represents the company's contribution to the society through its business activities and social investment. Businesses are considering to invest their profits in areas such as education, poverty, gender equality and hunger as a part of any CSR compliance. CSR mandate caters to the strategies needed for building a cleaner environment. Environmental concerns are significant and sustainable development is the one that satisfies the needs of the present generation.

Statement of the problem

Earlier days companies did not give prominence to safeguard the environment and society. They were disposing the wastes which was hazardous to the environment and harmful to the society. Companies concentrated only on

making profits, expanding their business operations which had a negative impact on the environment and society. The study attempted to identify the problems which is created by companies such as - Air pollution, Ground water depletion, climatic change, garbage disposal etc. The life styles, health condition and polluted environment have forced the companies, government to adopt changes in the rules and regulations. Hence it is necessary to conduct research on the impact of corporate on environment.

Objectives of the study

1. To study the awareness of CSR activities on society
2. To analyze the impact of CSR activities
3. To study the importance of CSR
4. To understand the benefits of CSR

Review of literature

According to Friedman (2009) from University of Chicago, made research on CSR, the study revealed that the major social responsibility of business is profit maximization, which is achieved through undertaking business in an open and free competition without deception or fraud. Corporate executives' acts as the agents of the owners, and spending resources of firms on CSR activities amounts to spending other people's resources. In addition to serving the self-interest of the firms, CSR activities are also generating corporate goodwill, which gives a company a competitive

advantage over its competitors, in turn presenting an opportunity for the company to further generate economic profits.

Dhond Arvind, Assistant Professor (2008) from St. Xavier’s College Mumbai, conducted research on ‘Corporate Social Responsibility of Indian business houses’. The study revealed that the social responsibility implies what business does over and above the statutory requirement for the benefit of the society. The term corporate citizenship is also commonly used to refer to the moral obligations of the business towards the society. The objective of this study is to know about the efforts done by Indian business houses in relation to their social responsibility.

Llaria Bissacco, Paolo Maccarrone and Cristina Spinelli Politecnico di Milano (2010) from university of Bologna, Italy made research on The Strategic Approaches to CSR by Large Companies. The study revealed that the Corporate Social Responsibility is an issue which is on the corporate agenda of most top managers. Its strategic importance comes from its pervasiveness (since it impacts on almost all functions of a business organisation) and from the possible relevant impacts on a firms competitiveness and market value.

Bhupender & Vikas Kumar Joshiya (2012) Assistant Professor, University of Delhi, made research on Issues and Challenges of Corporate Social Responsibility in India. The study revealed that CSR expanded to include both economic and social interests. Companies have become more transparent in accounting and display public reporting” due to pressures from various stakeholders.

Research methodology

- a. Research Design: The research design used for the study is Descriptive type of research.
- b. Population: The study includes few kinds of consumers.
- c. Sample size: The study is conducted on a sample of forty individuals.
- d. Method of data collection: study made use of both primary and secondary data.
 - 1. Primary data:
It is collected through a structured questionnaire from the respondents
 - 2. Secondary data:
It is collected through online articles, newspapers, magazines, books, journals and various websites.
- e. Sampling Technique: A Sample random technique was used to select the respondents for the study.

Limitation of study

- 1. The study is limited to Location – Basavangudi, Blore (Urban) and Vajarahalli (Rural).
- 2. The study is restricted to Fifty respondents only.
- 3. The study is depended on the information given by the respondents.
- 4. The study is conducted for a period of less than a month.

Data analysis

Table 1: Are you aware about CSR

Respondents	Number	Percentage
Urban	30	70
Rural	20	30
Total	50	100

Table 2: Table showing No. of Rural and Urban people involved in survey

Respondents	Number	Percentage
Urban	32	64
Rural	18	36
Total	50	100

Table 3: Table showing age group of Respondents

Age	No of member	Percentage
20-30	30	60%
30-40	10	20%
40-50	02	04%
50 & Above	08	16%

Table 4: Table showing No of Respondents aware about CSR –

Particulars	No of members	Percentage
Aware	30	60
Somewhere	18	36
Not aware	02	04
Total	50	100

Table 5: How important is for you that companies operate on a socially responsible level

Particulars	No of members	Percentage
Not important	10	20%
In different	10	20%
Important	20	40%
Extremely important	10	20%
Total	50	100%

Table 6: Table showing respondents trust towards CSR towards environment

Level	No of members	Percentage
10-25%	04	8%
25-50%	08	16%
50-75%	20	40%
Above 75%	18	36%
Total	50	100%

Table 7: Table showing opinions of respondents about environmental sustainability in future(impact) –

Opinion of experience	No of members	Percentage
Yes	12	24
Agree	16	32
Somewhat agree	14	28
Disagree	08	16
Strongly Disagree	00	00
Total	50	100

Table 8: Is it only companies responsibility to protect environment or individuals –

Wish of Respondents	No.of Respondents	% of Respondents
Yes	27	54%
No	23	46%
	50	100%

Table 9: Do you think there is a lack of proper education amongst general public?

Routine	No. of Respondents	% of Respondents
Yes	12	24%
No	12	24%
Doubtful	26	52%
Total	50	100

Interpretation

Out of 50 respondents half of the people says that they are doubtful, as there is a lack of education and proper knowledge regarding the same, so it's better to give proper education to general public.

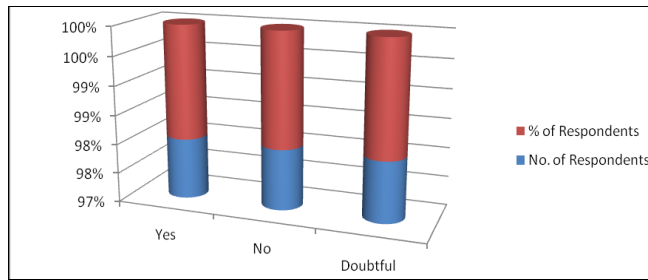


Fig 1

Table 10: Table showing Impact of Environment Sustainability.

Particulars	No of Respondents	Total
i)Change of lifestyles	06	12%
ii)Improve the health conditions	20	40%
iii)Pollution control	18	36%
iv)Aviod diseases	06	12%
Total	50	100

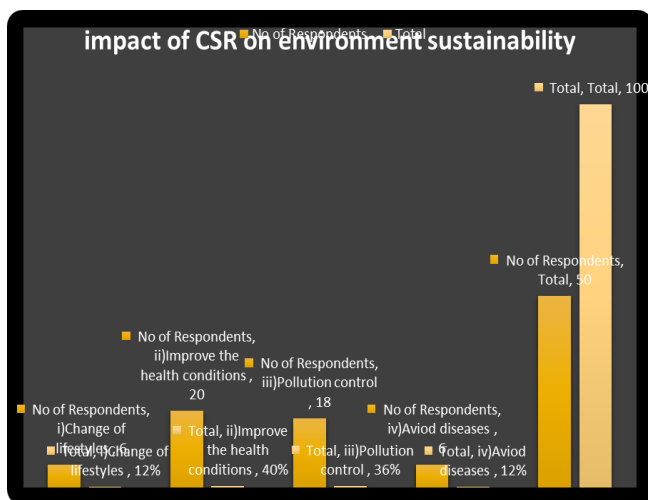


Fig 2

Interpretation

While comparing the impact of CSR most of the respondents agreed that change in lifestyle, pollution has drastically increased in changing frequently.

Findings and suggestions

Findings

1. The study revealed that majority of the respondents are in the age group of 20-50 years.
2. Among 50 respondents few agreed that it is a serious issue as the problems are common in different age groups
3. The study revealed that people, companies and government should take active participation in protecting the environment.
4. The study revealed if we give more importance to environmental sustainability then the future generation will lead a happy life
5. The study revealed that out of 50 respondents few are not aware about CSR activities

Suggestions

1. As few people in rural Areas, are not aware about CSR Activities, we have to educate them regarding environmental protection and its impact on future generation. Pressures from community/ government/ press/NGOs
2. Benchmarking by top companies who are setting examples. Also awards and recognitions to better companies. Ex : Rally for River, Ganga Purification Project etc.
3. Some special funds invest only in companies with specific CSR policies. Many importers/business associates ask compliance with child labour/human rights practices, before doing business. Some large automakers insist their suppliers be certified to environmental management systems standards
4. More importance has to be given to sustainability as already we are facing natural disasters, calamities. We should promote environmentally friendly projects, and educate the next generation with the pros of environment.
5. CSR Activities should not only limited for a period of time by the companies. It should be enhanced by companies and every individual, environmental friendly products should be used.

Conclusion

Conclusion of this work would be that for further development of sustainable business, through the implementation of CSR, the following is necessary: informing and education of all stakeholders, communication and transparency, cooperation, strengthening the legal framework and institutions, and voluntary commitment to the long-term preservation of the environment.

Due to the lack of precise definition of CSR and there being a lot of researches with different dimensions, views and even opposite results, this area of research is still in a focus. Many researches on the economic justification of CSR activities are conducted and they rather reflect opinion and perception of CSR than provide real data evidence about the implementation of results. Also, the existence of different state policies, regulations and acceptance levels, complicates attempts for establishing universal framework monitoring, measurement and reporting systems. The following are the initiatives taken by companies to protect environment -

- Creating Oxygen Hubs
- Save Bird Campaign
- Green Initiatives
- Animal welfare
- Plantation and Afforestation

Questionnaire

1. Have you ever heard of the word CSR?
 - a. Yes b. No
2. What is your level of education?
 - Technical Learner b. Degree c. Master's d. PhD
3. Age group in which you belong to
 - a. 20-30 b.30-40 c. 40-50 d. 50 & above
4. Do you agree that human beings are held responsible for environmental issues.
 - a. Yes b. No
5. In your view, has pollution ever affected your health?
 - Yes b. No

6. Do you think that companies are actively contributing to CSR Activities?
a. Yes b. No
7. Do you think the projects initiated by government and private sector are effective?
Yes b. No
8. Does the current generation are motivated by the initiative programmes taken by companies.
Yes b. No
9. Do you wish to protect the environment campaigns associated with various organisations?
Yes b. No
10. Developed countries should take most of the blame for environmental changes.
Yes b. No

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