



AN EMPIRICAL STUDY ON SOCIO-ECONOMIC PERFORMANCE OF THE CSR: TRIPLE BOTTOM LINE APPROACH OF THE DIFFERENT INDUSTRIAL CATEGORIES - WITH SPECIAL REFERENCE TO DAKSHINA KANNADA DISTRICT

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ABSTRACT

In India is widely regarded as a country in which corporate social responsibility has long played an important role. Corporate Social Responsibility (CSR), also known as sustainable responsible business (SRB), or corporate social performance, is a form of corporate self-regulation integrated into a business model. CSR policy would function as a built-in, self-regulating mechanism whereby business would monitor and ensure their adherence to law, ethical standards, and national, international norms. Business would embrace responsibility for the impact of their activities on the environment, consumers, employees, communities, stockholders and all other members of the public sphere Corporate Social Responsibility is a very well known concept in the present day world. In the modern times the concept CSR incorporates and strives to explain and clarify numerous co related and uncorrelated issues peculiarly, particularly or especially pertinent to Social and environmental interests and welfare, keeping in full view the financial interests and benefits of the shareholders. Responsibility has more or less taken the shape of accountability and obligation. It's an empirical study based on 3 indicators of corporate social responsibility as Economic Performance, Social Performance and Environmental Performance to analyze the triple bottom line approach of the selected different industrial categories in Dakshina Kannada District. Many business owners and managers see corporate social responsibility (CSR) as something that's 'nice to do' but not really connected to growing the business and profits. So, there is need of knowing the importance of Corporate Social Responsibility and its effective performance for the sustainable development.

KEYWORDS: Corporate Social Responsibility, Economic Performance, Social Performance, Environmental Performance, Triple Bottom Line, Sustainable Development.

INTRODUCTION**“Think Globally, Act Locally”**

In the modern times the concept CSR incorporates and strives to explain and clarify numerous co related and uncorrelated issues peculiarly, particularly or especially pertinent to social and environmental interests and welfare, keeping in full view the financial interests and benefits of the shareholders. It is not a common term, in fact many Indian companies talked about responsible business or triple P(People, Planet and Profit).Some others of corporate citizenship or stewardship, responsible entrepreneurship and triple bottom line. Responsible competitiveness is nothing other than CSR.

NEED FOR THE STUDY

If India's private and public sectors can come together in this development study to prove a conservation-oriented/rotation contract farming model, they may be able to limit the land exhaustion that results from exploitive contract farming, which threatens to continue to expand in India's future. As this will result in contributing to the protection of the national land and culture of India's, the implementation of this study is highly crucial and demands urgency.

OBJECTIVES OF THE STUDY

1. To know the conceptual framework of corporate social responsibility.
2. To understand the concept of Triple Bottom Line Approach.
3. Systematically understand the practices of Socio Economic Performance of the companies regarding sustainable development.
4. To examine and analyze the trends and developments of TBL policies and practices of different industrial categories.
5. To reveal the findings from the analytical study and suggest some measures on the basis of the study.

SIGNIFICANCE OF THE STUDY

The purpose of this study was to investigate the relationship between organization corporate social responsibility and its performance in economic, social and environmental responsibility under triple bottom line approaches in organizations.

SCOPE OF THE STUDY

This study may be considered as 'micro study'. The area of the study limited to some different industries categories such as Chemical, Oil and Refiner, Textiles, Banking, bakery goods, sweets, milk processing, breweries etc., in Dakshina Kannada district of Karnataka.

RESEARCH METHODOLOGY

The present study is in partly descriptive partly diagnostic in nature. Conceptual framework was developed from the secondary data comprising of the published literature. The present study is in partly descriptive partly diagnostic in nature. Conceptual framework was developed from the secondary data comprising of the published literature primary data is generated through the survey method on the Companies and general public (Beneficiaries). A structured questionnaire, mail survey and telephonic interview were used to generate primary data. Simple Random sampling method is used to generate primary data.

SAMPLE

In total 20 enterprises of all firm sizes, agribusiness sectors and 200 general public respondents participated in the survey. Since invitation emails were mostly sent to executives, most respondents work in the management department. The response rate of 30% is acceptable and underlines the high relevance CSR topics. The dominating industry sectors in our sample are bakery goods, sweets, milk processing, breweries, chemical industries, oil and petroleum refineries, mills, plant protection, agricultural machinery, fruit and vegetable processing, feeding stuffs, and plant breeding and seeds.

EMPIRICAL RESULTS

The contingency-theoretic framework developed in this paper guided an empirical study which was undertaken in the year 2012 via an online and offline survey addressing about 20 Different Industrial Categories in Dakshina Kannada.. The questionnaire focused on the perception of external pressure and the motives for implementing CSR. In the questionnaire, five-point Likert-scales were mostly employed that allowed respondents to agree or disagree with pre-formulated statements.

RATIONALE OF CSR

The rationale for CSR has been articulated in a number of ways. The government has declared it compulsory for industries to be socially responsible. They cannot ignore the society while carrying out production and amassing profit. A vibrant association or a high degree of correlation can be revealed between CSR and good public governance. Earlier this was neither specified nor executed, as the industrial policy resolutions failed to point out the real role of industries in society. In fact the real costs that the society incurs are primarily due to the presence and operation of the industrial houses.

CONCEPTUAL FRAMEWORK

Organisation for Economic cooperation and Development (OECD 2000, 2001):

“Corporate Social Responsibility is the commitment of business to contribute to economic development while preserving the environment, working with employees, their families, the local community and society at large to improve their quality of life”.

TRIPLE BOTTOM LINE

Key to sustainability, the concept of the triple bottom line means that business success is no longer defined only by monetary gain but also by the impact an organization’s activities have on society as a whole. Movement toward corporate concern for the “triple bottom line”—financial, social, and environmental performance—requires radical change throughout the corporation. It is not “either/or.” The new paradigm is “and also.” A sustainable business excels on the traditional scorecard of return on financial assets and shareholder and customer value creation. It also embraces community and stakeholder success. It holds its natural and cultural environments to be as precious as its technological portfolio and its employees’ skills.

—Charles Holliday, Stephan Schmidheiny, and Philip Watts, Walking the Talk: The Business Case for Sustainable Development

Triple bottom line demands that a company’s responsibility be to stakeholders rather than shareholders. It involves consideration of:

- ❖ **Vibrant communities (People):** An organization has a responsibility to its employees and to the wider communities in which it works. A triple bottom line company understands how its practices affect the corporation, its workers, and wider stakeholders, and it works to promote all of their best interests.
- ❖ **A healthy environment (Planet):** Without question, committing to sustainable environmental practices is good business. Corporations can save money and reduce their environmental footprints by reducing waste, conserving energy, and maintaining environmentally safe manufacturing processes.
- ❖ **Strong profitability (Profit):** Clearly, making money is essential to business success. A triple bottom line company, however, recognizes that its own sustainability rests on its ability to work harmoniously in its social and environmental settings. For this reason, the costs of pollution, worker displacement, and other factors are included in profit calculations.

Andrew Savitz and Karl Weber’s book, *The Triple Bottom Line*, extends Elkington’s idea by representing the three “bottom lines” as intersecting circles. The areas of intersection are termed “sweet spots”, meaning synergetic opportunities.. So, improvements in the planet and people “bottom lines” are not necessarily at the expense of the profit “bottom line”.

Figure No. 1: Triple Bottom Line Approach



Issues of Triple Bottom Line Approach:-

Table No.1: Issues of Triple Bottom Line Approach

Criteria	Economic	Social	Environment
Issues	<ul style="list-style-type: none"> 🚩 Innovation 🚩 Capital Efficiency 🚩 Risk Management 🚩 Margin Improvement 🚩 Growth Enhancement 🚩 Total Shareholders 	<ul style="list-style-type: none"> 🚩 Human rights 🚩 Supply chain 🚩 Health and safety 🚩 Community Development 	<ul style="list-style-type: none"> 🚩 Environmental issues 🚩 Climate change 🚩 Biodiversity

Analysis and Discussion

Weights of low, moderate or high are assigned to the specified criteria upon examining the code of conduct as follows:

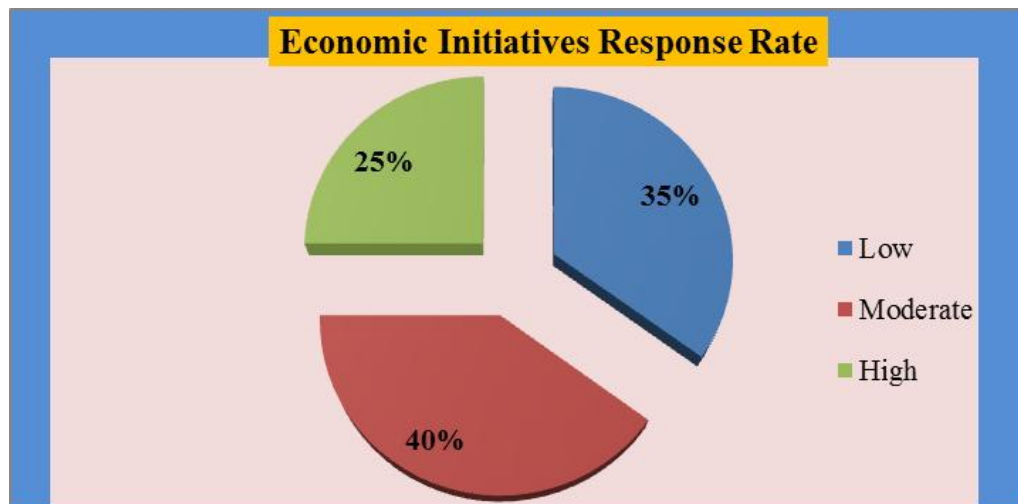
I. Economic Initiatives:-

Table No.2: Table shows Response Rates on Economic Initiatives of Selected sample Companies

Criteria	No. of Respondents	Percentage
Low	7	35.0%
Moderate	8	40.0%
High	5	25.0%
Total	20	100.0%

Compiled by researcher

Chart No.1: Economic Initiatives of Selected sample Companies



The above table shows 35%, of the respondent companies not specific about the CSR social initiatives. There is 40% for moderated and 25% of highly specific policies towards economic initiatives in the organization.

II. Social Initiatives:-

Due to increased concerns about the role of business and human rights, community development, health and safety and new and novel forms of foreign direct liability for corporate complicity in human rights abuses, investors increasingly see human rights issues as both a moral responsibility as well as a material concern affecting their investments.

Table No.3: Table shows Responses Rate on Social Initiatives of Selected sample Companies

Criteria	No. of Respondents	Percentage (%)
Low	6	30.0%
Moderate	7	35.0%
High	7	35.0%
Total	20	100%

Compiled by researcher

Chart No.2: Social Initiatives of Selected sample Companies



The above table shows 30%, of the respondent companies not specific about the CSR social initiatives. There is equal response of 35% for moderated and highly specific policies towards social development.

III. Environmental Initiatives:-

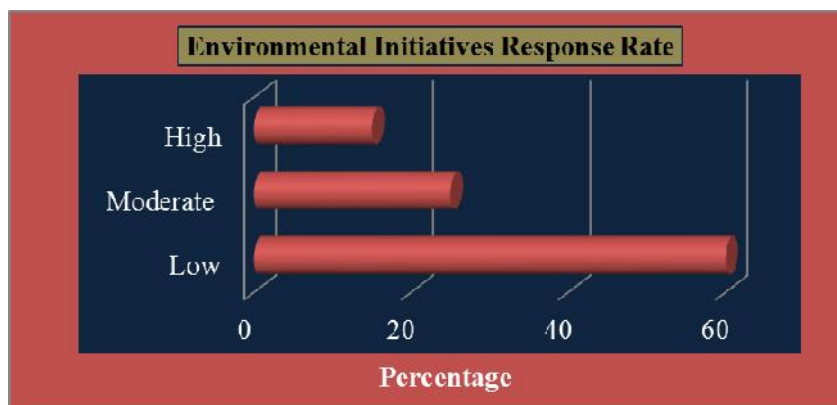
Issues such as climate change, water shortages and local pollution are driving the environmental agenda in many emerging markets. This study classifies companies as “high”, “medium”, or “low impact”, based on the direct impacts of their business activities on the following key issues: energy use, air pollution, water pollution, and waste and water consumption.

Table No.4: Table shows Responses on Environmental Initiatives of Selected sample Companies

Criteria	No. of Respondents	Percentage
Low	12	60.0%
Moderate	5	25.0%
High	3	15.0%
Total	20	100%

Compiled by researcher

Chart No.3: Environmental Initiatives of Selected sample Companies



The above table shows 60%, of the respondent companies not specific about the CSR environmental initiatives. There is a response of 25% for moderated and 15 % of highly specific policies towards environmental protection activities and ecological concern activities.

***not specific = low; *generally applied to all organizations = moderate; *specifically applied to firms/industries/partners/internal = high.**

KEY FINDINGS

- ↪ More than two thirds of the companies in the study were in “high” or “moderate” impact on sectors.
- ↪ Almost half of the companies in the sample studied showed “little or no evidence” of managing health and safety in their operations.
- ↪ The majority of companies in the study have shown evidence of addressing at least some ESE issues in their public disclosures.
- ↪ This may be a function of national policy initiatives to improve corporate responsibility, responsible investing, and ESE disclosure.
- ↪ Failure to apply corporate responsibility practices poses tangible risks and missed opportunities for emerging markets in terms of attracting investment.

SUGGESTIONS

From the study these suggestions are structured:

- ↪ There should be a separate department for the CSR initiatives and practices in the company.
- ↪ A financial report of the companies must consist the expenditure involved in the CSR activities.

LIMITATIONS

No research methodology is perfect with any drawback. The limitations of the study include:

- ↪ Due to the shortage of time it may not be possible to include large sample.
- ↪ Sample is restricted only to some companies and Dakshina Kannada District in Karnataka State.
- ↪ The results of the study vary depending on the policy changes.

CONCLUSIONS

Based on the knowledge and insight gained while visiting different industrial categories, it is concluded that the integration of socially, environmentally, and financially responsible practices into the culture and value system of a company is important to ensure that CSR initiatives are effective and sustainable. In sum, companies should keep sustainability initiatives and one to look to for a sustainable corporate approach to CSR in a way that helps, not hurts, the bottom line.

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