ACKNOWLEDGEMENTS

It was the most wonderful moment of my life when I came in contact with the faculty of Aligarh Muslim University from whom I learnt how to be so polite and yet firm and treat every obstacle as a learning experience.

I have been very lucky to have Dr. Javaid Akhter, Professor, Department of Business Administration, Aligarh Muslim University as my internal guide. He has been a source of inspiration for me at every stage of this research work and without whose valuable guidance; I would not have able to complete my research successfully. I owe him my deepest gratitude and respects.

I am deeply indebted to Dr BB Das who has been my external guide for continuously encouraging me to go deeper and deeper in the research work citing his own examples. His untiring efforts helped me to take this research as a challenge and source of learning rather than a task. I am extremely thankful to him for changing my attitude of extracting happiness from my research work. I convey my sincere thanks to him.

I would like to make special mention of Dr Pervaiz Talib, Professor, Department of Business Administration, Aligarh Muslim University, who gave me the initial courage to approach him for guidance without any hesitation.

I would like to express my deepest thanks to my wife, Mrs Elina Dayal for continuously pushing me to adhere to target dates for completing the research work. I am thankful to my daughter, Dr Pratika Dayal, Research Scholar, University of Durham, UK; my son in law Dr Anupam Mazumdar, Reader, University of Lancaster, UK and my son Mr Anuj Dayal, Associate in OCH-ZIFF at UK for supporting me at every stage of my research work.

I owe special thanks to my colleagues Mr Sachin, Mr Prakash Chander Srivastava, Mr Teeka Ram and Mr Vinay Chandra at Krishna engineering College, Ghaziabad and Ms Vijayalaksmi for helping me with my field surveys.
In the end I would like to accept that these four years of my association with Dr Javaid Akhter, Dr BB Das, Dr Pervaiz Talib and my colleagues have turned out to be the best period of my life and I would cherish these memories throughout my life.

Date: 

RAHUL DAYAL
PREFACE

Indian Economy has been growing at fast pace resulting in rapid increase of industries in all major sectors. This growth is essential for raising the living standards of people. Due to increase in industries and the economic power of the people, the demand for power, infrastructure, goods and services is also increasing at fast rates necessitating expanding the existing facilities as well as installing many new ones.

The rapid proliferation of industries results in air and water pollution leading to environmental damage and health hazards apart from depleting scarce natural resources. More than 99.5% of Indian population breathes unhealthy air which has reduced our life expectancy by 3 years apart from loss of millions of man hours due to health problems. Water from most of the rivers has become undrinkable. Ground water tables are going down and surface water has become contaminated in the vicinity of industries. The natural resources like coal and oil will get exhausted by 2050 making India dependent on foreign countries for its energy needs.

These problems are likely to increase further as more and more industries will be come into operation due to the increased demands. Therefore, there is a need to maintain proper balance between economic growth and environmental protection as has been done in most of the developed countries. The developed countries took green initiatives as early as 1996 and most of them obtained ISO-14001 certification as the first step towards environmental protection. Subsequently, not only there was increase in the number of these companies but also these companies adopted higher levels of green initiatives by investing in many environmental management systems. Many of these companies have even generated financial profits through investments in green initiatives.

Companies adopt green initiatives either due to normative, coercive or mimetic pressures or because of expectations of economic and environmental benefits. Companies located in different parts of the world experience different levels of pressures and benefits depending upon their nature of operation. Hence, their levels of adoption of green initiatives will depend upon their country as well as their nature of operations. Also as adoption of green initiatives require investments in terms of plants, technology, R&D, change in procedures as well in training of employees and
dealers; companies would not invest in green initiatives unless these pressures are high or the company is convinced of obtaining financial savings. In the developed world, lots of studies have been carried out to prove that investments in green initiatives can be profit generating through resource and energy conservation. Convinced of these facts, companies have invested substantially in R&D, product and process development and waste treatment reaping financial benefits apart from fulfilling their obligations towards environmental management.

On the other hand, the scenario in India has been totally different. Till 2001, hardly any effort was made towards environmental protection. Only 0.3% of the total industries in India have obtained ISO-14001 certification till now as compared to China and Japan which these percentages are around 20-25%. The implementation of environmental laws in India is ineffective and the financial strength of most of the companies is either moderate or weak due to which companies are hesitating to invest in green initiatives. Most importantly, there is not enough research to support that investments in green initiatives can be financially beneficial for companies in India also. Most of the research work done in India is concentrating on specific areas and does not cover major sectors in totality. Also, the present research has not brought out the factors which are responsible for the low adoption of green initiatives in India and need to be strengthened. Eight sectors comprising of automobile, oil & petroleum, Chemical & Textiles, power, cement, electronics, manufacturing and services have been designated as the most polluting sectors in India. They are also the sectors which contain more than 90% of the ISO-14001 certified companies registered in India. Therefore, there is an urgent need to conduct comprehensive research to find out the reasons for the low adoption of green initiatives taken by these companies in India and to suggest remedial measures. As adoption of green initiatives is linked with the financial strengths of the companies, it is necessary to study the effect of financial implications on the green initiatives taken by ISO-14001 certified companies in India.