

# **CHAPTER – I**

## **INTRODUCTION**

### **1.1 Prologue**

Corporate communication is practiced systematically by modern corporate houses to establish and maintain mutually beneficial relationship between the organization and other stakeholders. Corporate communication serves as the conscience of the corporation and is responsible for the active participation of various stakeholders in the process of business promotion. Modern corporate houses have a corporate social responsibility of rendering adequate environmental communication services in order to sensitize the various stakeholders of environment protection in the present times. The communicators are also required to bring about new awareness among the corporate leaders on environment protection oriented activities of corporate houses. The present study evaluates the crucial relationship between the environmental communication and corporate social responsibility with special reference to select corporate houses in Bengaluru city. The salient features of the study namely –organizational culture in corporate houses, corporate social responsibility in the new millennium, responsibility of corporate houses in environment protection, corporate communication for environment protection, profile of select corporate houses, significance of the study, statement of the problem and objectives of the study are amplified in this chapter.

### **1.2 Organizational Culture in Corporate Houses**

#### **Organizational Culture**

Organizational culture affects the way individuals make decisions, feel and act in response to the opportunities and threats affecting the organization. Organizational culture is the specific collection of values and norms that are shared by people and groups in an organization. Organizational culture encompasses values and behaviors that contribute to the unique social and psychological environment of an organization. The quality of corporate governance affects the culture of corporate houses. Modern organizations are led by cultural ethos. The structure, system and functions of an

organization are based on the culture of the organization. The norms, guidelines and operations of modern organizations are also primarily dependent upon the culture of the organization cherished by the founders and builders over a period of time. Schein's (1980:191) model of organizational culture has become an influential theory of organizational culture, beliefs and assumptions form the core of an organization's culture. Organizational culture is understood as a multidimensional subject with the scope of organizational values.

An organization's culture is reflected in what is done, how it is done, and who is involved in doing it. It concerns decisions, actions, and communication both on an instrumental and a symbolic level. The culture of an organization can be distinguished by values that are reinforced within organizations. Organizational culture is described as a mechanism of common assumptions that a group with the common objectives learns and then it externally adapts to and internally integrates with. Knowledge reflects the degree of how much an employee understands the organizational culture. Acceptance of culture refers to the degree of how much an employee has internalized the norms of organization. If the culture is valuable, then it holds the potential for generating sustained competitive advantages.

Kotter and Heskett (1992:125) comment: "Organizations with adaptive cultures perform much better than organizations with non-adaptive cultures. An adaptive culture translates into organizational success; it is characterized by managers paying close attention to all of their constituencies, especially customers, initiating change when needed, and taking risks. An non-adaptive culture can significantly reduce a firm's effectiveness, disabling the firm from pursuing all its competitive /operational options".

Ogbonna (1993:164) opines: "Organizational culture is the interweaving of the individual into a community and the collective programming of the mind that distinguishes members of one known group from another. It is the values, norms, beliefs and customs that an individual holds in common with members of the social unit or groups". Robbins (1998:183) defines organizational culture as a relatively uniform perception held of the organization. Every organization has its own cultural foundations which integrate individuals, groups and organization systems variables.

The leaders, managers and workers are required to internalize the organizational norms and develop a new self-identity in conformity with the new culture.

Prosser (1999:175) examined the issue of organizational culture and observed significant association between organizational culture and performance of the employees. He also added a new dimension to the culture of educational institutions. The polarities construct a quadrant with four types of culture. Organizational culture is manifested in tangible ways, such as behaviors, throughout the organization, according to Detert, Schroeder and Mauriel (2000:66).

Lund (2003:134) writes: “Organizational culture is defined as a set of philosophies, ideologies, values, assumptions, beliefs, attitudes and expectations, holding the organization together. In other words, culture in an organization refers to what identity means for individuals. Rashid, Sambasivan and Johari (2003:180) defined organizational culture as a system of common meanings, beliefs and values which shape the employees’ behaviors in an organization.

Denison, Haaland, and Goelzer (2004:65) found that culture contributes to the success of the organization, but not all dimensions contribute the same. It was found that the impacts of these dimensions differ by global regions, which suggests that organizational culture is impacted by national culture.

Nelson (2004:161) found that organizational culture represented the collective values, beliefs and principles of organizational members and is a product of such factors as history, product, market, technology, and strategy, type of employees, management style, and national culture.

Ravasi and Schultz (2006:181) pointed out that organizational culture is a set of shared assumptions that guide what happens in organizations by defining appropriate behavior for various situations. It is also the pattern of such collective behaviors and assumptions that are taught to new organizational members as a way of perceiving and, even, thinking and feeling. Thus, organizational culture affects the way people and groups interact with each other, with clients, and with stakeholders. In addition, organizational culture may affect how much employees identify with an organization.

Robbins and Sanghi (2007:184) state: “Organizational Culture refers to a system of shared meaning held by members that distinguishes the organization from other organizations. This system of shared meaning is actually a set of key characteristics that the organization values. Organizational culture is a descriptive term which is concerned with how employees perceive the characteristics of an organization’s culture, not with whether or not they like them”.

Organizational culture affects the way individuals make decisions, feel and act in response to the opportunities and threats affecting the organization. Organizational culture is the specific collection of values and norms that are shared by people and groups in an organization. The members of an organization should pursue and ideas about the appropriate kinds or standards of behavior organizational members should use to achieve these goals. Organizational culture encompasses values and behaviors that "contribute to the unique social and psychological environment of an organization.

### **Salient Features of Organizational Culture**

Culture includes the organization's vision, values, norms, systems, symbols, language, assumptions, beliefs, and habits. The prominent features of organizational culture include - knowledge about the organizational policy, work environment, values and beliefs, attitude towards work, work involvement and inter personal relationship. Every organization develops and maintains a unique culture, which provides guidelines and boundaries for the behavior of the members of the organization.

Scholars have also studied the characteristics of organizational culture which include innovation (motivating the employees to adopt innovative means and methods), precision orientation (performing the works accurately), achievement orientation (placing emphasis on achieving maximum success), fairness orientation (placing value on protecting the interest of the organization), collaboration orientation (sharing the responsibility with the co-workers), competitive orientation (outperforming the competition at all costs), rule orientation (adhering to the norms and guidelines of the organization) and social responsibility orientation (serving the best interest of society).

Organizational culture reflects the underlying belief and value structure of an organization. Members of an organization in a given cultural environment share a common set of assumptions, beliefs and values which originate from the local environment. These cultural values from the environment have a very strong impact on the behavior of the persons within the organization. The core of culture is formed by values which are not visible but shared by people even when membership in group changes. Organizations should strive for what is considered a healthy organizational culture in order to increase productivity, growth, efficiency and reduce counterproductive behavior and turnover of employees.

### **Organizational Culture in Corporate Houses**

Organizational culture refers to a set of some commonly experienced stable characteristics of modern corporate houses which constitute the uniqueness of those organizations and differentiate them from others. One of the most comprehensive studies into corporate culture was conducted by Gompers et. al (2003:92). The scholars observe: “The power-sharing relationship between investors and managers is defined by the rules of corporate governance. We find that corporate governance is strongly correlated with stock returns during the 1990s. There is some evidence, both in our sample and from other authors, that weak shareholder rights caused poor performance in the 1990s. We find that firms with stronger shareholder rights had higher firm value, higher profits, higher sales growth, lower capital expenditures, and made fewer corporate acquisitions”.

Corporate Leadership Council (2003:59) defines corporate culture as the set of beliefs, values, and behavior patterns that characterize an organization. Culture is most commonly seen as the expression of the organization’s values, manifested by how people relate to one another, how information is disseminated, how people are led to feel about their work, how it values them, and how the organization relates to the world. Organizational culture depends upon several parameters which are not necessarily constant all of the time. Organizational culture is something which can be perceived but not felt, sensed but not seen.

Abe and Iwasaki (2010:02) analyzed the relationship between the organizational culture and corporate governance in Russia and remarked: “Although

the corporate governance literature provides much empirical evidence of the significant association between corporate performance and CEO turnover in developed countries, the majority of research on Russian firms shows a rather weak or absent relation. The empirical finding of a relationship between dividend payment and managerial turnover indicates the growing respect for shareholder wealth in Russia among domestic investors”.

Abbett et. al (2010:01) examined the relationship between organizational culture and corporate sustainability and note: “Many companies have learned that sustainability represents a distinct competitive opportunity, but not all companies are successfully addressing these opportunities and challenges. A review of existing literature points to organizational culture as an important driver behind the success of sustainability initiatives, yet little empirical research has been done to describe the relationship between company culture and sustainability. The study finds that culture does indeed matter in corporate sustainability success and points towards additional dimensions for companies to consider when planning and implementing such initiatives. Corporate culture is an important driver of organizational effectiveness, yet little empirical research has been done to apply this relationship to the field of corporate environmental sustainability”.

Lunenburg (2011:135) examined the need for understanding the organizational culture and reported: “Organizational culture is the set of shared beliefs, values, and norms that influence the way members think, feel, and behave. Culture is created by means of terminal and instrumental values, heroes, rites and rituals, and communication networks. The primary methods of maintaining organizational culture is through the socialization process by which individuals learn the values, expected behaviors, and social knowledge necessary to assume their roles in the organization. Sometimes an organization determines that its culture needs to be changed. The change cycle includes the following components: external enabling conditions, internal permitting conditions, precipitating pressures, triggering events, cultural visioning, culture change strategy, culture change action plans, implementation of interventions, and reformulation of culture”.

Guiso et. al (2013:98) evaluated the value of corporate culture in the age of globalization and pointed out that corporate culture influenced the integrity and

performance of modern corporate houses. Corporate culture plays a crucial role in the management of modern corporate houses on the basis of a high level of integrity. The first necessary step is to understand the potential sources of this link and show that they appear to be present in the operations management of corporate houses.

Yusuff et. al. (2014:219) studied the influence of organizational culture on company performance and state: “Differences in organizational cultures may inhibit the transfer of know-how from one organization to another. Varying cultures require different managerial styles and even though it works in one society or organization often does not work well in others. The relationship between national culture and organizational culture and also the relationship between organizational culture and company or organization performance matters. Organizational culture emerges from some common assumptions about the organization, which the members share as a result of their experiences in that organization. In determining correlation of organizational culture and organization performance, it was found that malleability showed some significant relationship”.

Organizational culture is the set of shared beliefs, values, and norms that influence the way members think, feel, and behave. Culture is created by means of terminal and instrumental values, heroes, rites and rituals, and communication networks. The primary methods of sustaining organizational culture is through the socialization process by which individuals learn the values, expected behaviors, and social knowledge necessary to assume their roles in the organization. The corporate culture is evolved over a period of time on the basis of certain factors such as external enabling conditions, internal permitting conditions, precipitating pressures, triggering events, cultural visioning, culture change strategy, culture change action plans, implementation of interventions, and reformulation of culture. In the new millennium, modern corporate houses are called upon to facilitate adoption of best practices and develop a new culture of management and delivery system which facilitate better reputation management in a highly competitive business environment.

## **1.3 Corporate Social Responsibility in the New Millennium**

### **Concept of CSR**

Corporate Social Responsibility as a concept was originally developed by Bowen (1953:42) when he authored a well known book on 'Social Responsibilities of the Businessman'. The term got popularized in the wake of environmental scandals such as the chemical catastrophes in Bhopal and Seveso and corporate malfeasances like Enron. The Union Carbide chemical disaster claimed numerous lives at Bhopal. The subject of ecology became a hot issue in the media pushed by investigative journalists and critical nongovernmental organizations alike.

The Corporate Social Responsibility (CSR) is a corporation's initiatives to assess and take responsibility for the company's effects on environmental and social wellbeing. The term generally applies to efforts that go beyond what may be required by regulators or environmental protection groups. It may also be referred to as 'corporate citizenship' and can involve incurring short-term costs that do not provide an immediate financial benefit to the company, but instead promote positive social and environmental change. The Corporate Social Responsibility refers to a business practice that involves participating in initiatives that benefit society.

Corporate social responsibility is the firm's consideration of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm to accomplish social benefits along with the traditional economic gains which the firm seeks. Carol (1991:47) proposed a concise definition in favour of a three dimensional model, which consisted of social responsibility categories, social issues, and philosophies of social responsiveness. Corporate social responsibility was first described by the scholar as a three dimensional integration of corporate social responsibility, corporate social responsiveness, and social issues.

Freeman (1983:86) defines: "A stakeholder in an organization is any group or individual who can affect or is affected by the achievement of the organization's objectives.' Thus, the term stakeholder includes (apart from shareholders), but not limited to, customers, employees, suppliers, community, environment and society at large. CSR is an act of achieving commercial success in ways that honor ethical

values and respect people, communities, and the environment. It means addressing the legal, ethical, commercial and other expectations that society has for business and making decisions that fairly balance the claims of all key stakeholders”. Corporate houses are expected to live up to the expectations of various stakeholders since they cannot operate in isolation. They have realized the significance of corporate social responsibility which intends to maximize profits for the shareholders who are the backbone of corporate houses.

Carol (1991:47) presented the four step model of responsibilities which combines all four distinct responsibilities of a company. The responsibilities include economic responsibility to be profitable, the legal responsibility to abide by the laws of the respective society, the ethical responsibility to do what is right, just and fair, and the philanthropic responsibility to contribute to various kinds of social, educational, recreational or cultural purposes.

The World Business Council for Sustainable Development (1997) states: “Corporate social responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large”. Scholars have explained corporate social responsibility in terms of stakeholder relationships broadly constituting responsibility to consumers, employees, and other shareholders; responsibility to the environment; and responsibility to community development.

Carol (1999:48) observes: “Corporate social responsibility has gained importance since forward-thinking companies embed sustainability into the core of their business operations to create shared value for business and society. The concept of Corporate Social Responsibility goes beyond charity and requires the company to act beyond its legal obligations and to integrated social, environmental and ethical concerns into company’s business process”. The concept of Corporate Social Responsibility is constantly evolving. The key components of CSR include – corporate governance, business ethics, workplace and labour relations, affirmative action, supply chain, customer relations, environment protection, employee’s welfare, community development and sustainable development.

McWilliams and Siegel (2001:144) define: “CSR include actions that appear to further some social good beyond the interest of the firm and which are required by law.” CSR has been perceived as a company’s actions that contribute to sustainable development through the company’s core business activities, social investment and public policy debate. Kotler and Lee (2005:124) define CSR as “A commitment to improve community well being through discretionary business practices and contributions of corporate resources”.

Baker (2005:15) refers to CSR as “a way companies manage the business processes to produce an overall positive impact on society.” Hirschland (2006:149) provided a classic definition of corporate social responsibility which is considered by the management experts as relevant. He defined corporate social responsibility as “the expectations of businesses by non-state stakeholder groups, and the strategic management of these demands by businesses that help to assure profits and enterprise sustainability”.

Corporate social responsibility is indeed a business obligations which enables modern corporate houses to conduct the affairs of the enterprise and maintain an equitable and workable balance among the claims of the various directly interested groups, a harmonious balance among stockholders, employees, customers, and the public at large. Corporate social responsibility practically involves a business identifying its stakeholder groups, and going beyond its legal obligations to incorporate their needs and values into the day-to-day decisions and activities of the organisation.

### **Scope of CSR**

Marchand (1998:138) explained that in the early twentieth century when the first phase of corporate merger was completed, business houses found themselves in a desperate need for legitimacy among those whose lives were affected by such a merger. Thus, the persona of the corporate house needed a soul to fill the vacuum it had created by displacing or co-opting traditional small town business establishments which had fostered emotional and familial attachments among the people inhabiting those towns. The need for a realignment of the public relations between the people and business houses marks the starting point of corporate social responsibility.

The models of corporate social responsibility began to emerge, with most claiming that business and society are intricately woven and that businesses had a responsibility to respond to societal needs and pressures. The founding of the International Association of Business and Society in 1990 reiterated the notion that all businesses around the globe face similar business and societal issues. The scholar also explained the development of corporate social responsibility in terms of the organizational need to create a corporate soul.

Wood (2010:215) stated that corporate social responsibility communication is an outgrowth and advancement of such corporate social reports and environmental communication programs. A plethora of studies on various business related social problems were conducted based on the idea that a business was an actor in the environment and should respond to social pressures and demands. By the early 1980s, the focus shifted to responsiveness. Researchers sought to find how companies respond to business-related social issues as well as what was considered ethical behavior.

In the present times, the corporate social responsibility is intimately related with the globalization of the business environment. The corporate houses have realized the need and importance of corporate social responsibility. Corporate social responsibility (CSR) is a topic that is increasingly capturing the interest and imagination of people in the business world. However, despite all of the attention that has been given to this issue, there is still much confusion and many misperceptions surround it. The socially responsible functions of modern corporate houses would help establish good relations with the stakeholders of corporate governance.

Corporate social responsibility basically involves economic, legal and ethical responsibilities of modern corporate houses. The economic responsibilities include the production of goods and services of value to society so that the corporate house can repay its creditors and stockholders. The legal responsibilities include the conduction of business affairs according to the rules and regulations formulated by the government in order to protect public interest. The ethical responsibilities include the delivery of goods and services which are ethically sound and socially beneficial. The discretionary responsibilities include the voluntary obligations a corporation assumes, i.e. philanthropic contributions. Thus, the scope of CSR is wide and includes various

dimensions which guide the institutional operations in the best interest of profession, management, environment and people.

### **Contemporary Relevance of CSR**

Corporate houses expected to function in a socially responsible way in modern times. The society demands responsibility and contribution. A knowledge-based organization demands that everyone take responsibility for the organization's set goals, its contributions and its behavior. All members of the organization must completely review and reconsider their achievements and contributions. Profit is not the explanation, cause or rationale of business behavior and business decisions, but rather the test of their validity. The scholar visualized that the 21<sup>st</sup> century would be the century of the social sector organization. The more economy, money, and information become global, the more community will matter. He added a new dimension to corporate social responsibility and emphasized the need for adoption of healthy management practices devoid of unethical practices. He called upon the business houses to protect the interest of various stakeholders and contribute to a prosperous economy which benefits the mankind. He has laid a strong foundation for the adoption of the philosophy of corporate social responsibility in the process of organizational management.

Freeman (1983:86) observes: "The prevalence of neo-liberal economic views in the 1980s left no room for the ethic and philanthropic dimensions of CSR. The political and economic climate was not propitious for any ideas related with firms-government cooperation, attention of scholars and practitioners had shifted towards economic rather than social matters and the autonomy of the market was heavily promoted as a means of satisfying social goals. This resulted in a dramatic change regarding the responsibilities of firms and those of the state: the responsibilities of the latter shrank and those of the former expanded resulting in heavy criticism of command and control measures and to the introduction of market friendly tools like management standards and codes of ethics. The purpose of these measures was to assist firms to respond to their increased responsibilities as these were resulted by the gradual privatization of many sectors of the economy which were previously run by the state".

Wulfson (2001:217) writes: “Andrew Carnegie, the founder of US Steel Corporation, views corporations’ social responsibilities on two main principles: The Charity Principle and The Stewardship Principle. The charity principle requires the more fortunate members of society to assist its less fortunate members, including the unemployed, the handicapped, the sick and the elderly. The stewardship principle requires the fulfillment of social obligations of the corporate houses on the basis of sound vision and missionary zeal. He believed that businesses and wealthy individuals were the caretakers or stewards of their property holding it in trust for the benefit of society as a whole”.

Modern corporate houses should develop the habit of corporate social reporting which is the process of communicating the social and environmental effects of organizations’ economic actions to particular interest groups within society and to society at large. It involves extending the accountability of organizations beyond the traditional role of providing a financial account to the owners of capital, in particular shareholders. The scholar emphasized that corporate social responsibility communication goes beyond financial reporting and enhances the social accountability in modern times.

Hemingway (2005:104) emphasized the need for corporate social entrepreneurship thus: “Although companies’ strategies in social responsibility may or may not be directly aimed at commercial benefits, good performance in corporate social responsibility increases the legitimacy of a company in social and political activities”. Therefore, adopting corporate social responsibility into corporate strategies is not only beneficial for the public and society, but also for the companies themselves.

Levis (2006:129) opines: “The corporations must balance shareholder needs while making contributions that benefit society. CSR is viewed as a means to manage complex sociopolitical issues businesses face and reduce risk for their organizations. The range of issues affecting their organizations is overwhelming, which include challenging subjects such as climate change, health care and ethics practices. Today, the business and practice of CSR is at its’ pinnacle, mature and robust. The maturity of CSR is further validated by the large number of sustainability reports produced by businesses, mutual funds available to investors, consultants to organizations, trade

associations and literature, which continue to grow. It is not recommended that all corporations manage CSR the same way; however, consensus on the core concepts is vital so that CSR can be implemented commonly amongst global corporations”.

Sustainable development guidelines are being defined in order to establish a balance between the goals of economic development on one side and social development on the other, while taking consideration of the need to improve and protect the natural environment. All this influences businesses to devote themselves more seriously to satisfying an ever increasing number of interest groups in their own surroundings. Contemporary society makes more and more demands upon companies in the direction of defining their social responsibility.

SMEs can manage their reputation and risks more effectively as their decision process is significantly shorter than that in large firms. This flexibility of SMEs can also enable them to rapidly take advantage of new niche markets for products and services that incorporate social and/or environmental benefits in their value. The scholars observed that there was a business case for SMEs and that SMEs can benefit from CSR, improve their business and develop competitive advantage. Modern business organizations are required to undertake actions in ten major fields: economic growth and efficiency, education, employment and training, civil rights and equal opportunity, urban renewal and development, pollution abatement, conservation and recreation, culture and the arts, medical care, and government relations.

Horrigan (2007:109) amplifies the CSR trends in 21<sup>st</sup> century thus: “The 21<sup>st</sup> century is already bearing witness to transformational changes in CSR thinking, regulation, and practice. CSR has achieved a new focus and prominence at the highest political levels worldwide. At the G8 Summit of world leaders in 2007, CSR clearly emerged from the shadows as a secondary global concern to enter the spotlight as a primary international policy issue of the same order as climate change, international security, sustainable development, and free trade and investment. The causal connection between CSR and corporate performance also remains the subject of much debate and conflicting evidence. Good companies that do everything well might simply do corporate governance and responsibility well too, or at least have more resources available to deploy in these endeavors because of their financial success. CSR might not yet have become fully mainstream across all areas of corporate

regulation and practice, but it is clearly moving away from being simply an optional or marginalized part of corporate strategizing, decision-making, and reporting for many companies”.

Wood (2010:215) states: “There is a lack of a dominant theoretical approach, methods and assumptions but for some this is not necessarily a bad thing since it results in various approaches and theoretical perspectives. The CSR has the potential to influence business practice. Modern companies have begun to publish the social reports to demonstrate socially responsible behavior. Researchers sought to find how companies respond to business-related social issues as well as what was considered ethical behavior. New models of corporate social responsibility have begun to emerge in the new millennium. Corporate social responsibility is intimately related with the globalization of the business environment”.

Smith (2011:198) remarks: “The inclusion of strategic philanthropy, innovation, environmental sustainability and transparency demonstrate how diverse and far reaching CSR has become embedded into management strategy. The corporate financial performance and the measurement of CSR activities is causing corporations to understand the strategic value of CSR through the realization that the implication to a business’ operations is essential. Business strategy has been recognized as a CSR requirement, yet the standard proposed largely ignores how key management practices can be utilized”. The increase in the attractiveness of CSR activities can be demonstrated in a host of surveys amongst global business executives.

The importance of corporate social responsibility increased because of the six key issues that gripped the world: the increase in rich-poor divide; the State’s disengagement; the advance of sustainability; the anti-corporate backlash; the trend to transparency; and hopes of new millennium. The need for transparent and proactive communication of corporate social responsibility is a great concern. The areas of CSR concerns include concern for employees, customers, environment, society and ethical obligations. The key drivers of CSR engagements include – corporate governance, corporate communication, sustainable development, ethical consumerism, financial autonomy, crisis management, disaster management, social utility and strategic business management in the new millennium. The potential corporate benefits include

– brand positioning, customer loyalty, employees welfare, corporate reputation, partnership with society and institutional credibility.

Scholars have called upon the corporate houses to create a sustainable global economy where markets, labour and communities are able to function well together and companies have better access to capital and new markets. In the age of globalization, modern organizations are required to incorporate social and environmental criteria when making decisions about where to place their money. Adoption of healthy CSR practices would maximize the social impact of the investment at local or regional levels. Scholars have argued that firms' engagement into CSR should be accomplished voluntarily with minimal government intervention. Studies have underlined the fact that a company's sole social responsibility was to pursuit maximization of returns for their shareholders within the boundaries set by law. The 21<sup>st</sup> century has practically become the century of the social sector organization. The more economy, money, and information become global, the more community will matter.

## **1.4 Role of Corporate Houses in Environment Protection**

### **Concept of Environment**

The environment is a broad subject which encompasses several aspects such as physical environment, human beings, species of animals and plants and their habitats, climate, landscape, water, land, air and other natural resources. The environmental concerns emphasizes the inter - dependency of all natural systems, the importance of ecological stability, sustainability of resources and impact of ecological changes which occur from time to time. The word 'environment' is most commonly used describing natural environment which means the sum of all living and non-living things that surround an organism, or group of organisms. Environment includes all elements, factors and conditions that have some impact on growth and development of certain organism. Environment includes both biotic and abiotic factors that have influence on observed organism. Abiotic factors such as light, temperature, water, atmospheric gases combine with biotic factors (all surrounding living species). Environment is not a static term or process but it is subjected to series of changes and developments across the world from time to time.

Environment literally means surrounding and everything that affect an organism during its lifetime is collectively known as its environment. In another words “Environment is sum total of water, air and land interrelationships among themselves and also with the human being, other living organisms and property”. It includes all the physical and biological surrounding and their interactions. Environmental studies provide an approach towards understanding the environment of our planet and the impact of human life upon the environment. Thus environment is actually global in nature, it is a multidisciplinary subject including physics, geology, geography, history, economics, physiology, biotechnology, remote sensing, geophysics, soil science and hydrology etc.

The term environment describes the sum total of physical and biotic conditions influencing the responses organisms. More specifically, the sum of those portions of the hydrosphere, lithosphere, and atmosphere into which life penetrates is the biosphere. There are no characteristics of permanent inhabitants of the atmosphere, although the air is traversed by manly kinds of animals and plant propagules. Of the hydrosphere, there are two major bicycles, marine and fresh water, of the lithosphere there is one land.

Environmentalism is very important political and social movements which intend to protect nature environment by emphasizing importance of nature role in protection of the environment in combination with various actions and policies oriented to nature preservation. Environmentalism is also a movement connected with environmental scientists and many of their goals. Some of these goals include- to reduce world consumption of fossil fuels, to reduce and clean up all sorts of pollution (air, sea, river...) with future goal of zero pollution, emphasis on clean, alternative energy sources that have low carbon emissions, sustainable use of water, land, and other scarce resources, preservation of existing endangered species, protection of biodiversity and other challenges.

### **Need for Environment Protection**

Environment protection has become an important challenge of our times. The earth, mankind, animals, flora and fauna cannot survive for a long time if proper environment protection measures are not implemented all over the globe. There is a

proven correlation between environment and development. There is absolutely no dispute over the significant issue of environment protection since the survival and progress of the world primarily depends upon the stable, secured and sustainable environment. The publication of a book entitled 'Silent Spring' by Rachel Carson in 1962 created greater environmental concern in the world. The author effectively documented the impact of chemical pesticides on wildlife and food chain which attracted global attention and facilitated official prohibition of DDT and other pesticides. The work is rightly described as the 'Bible' in the field of environment protection since the author drew global attention on the need for prevention of environmental hazards.

Carson (1962:50) observed: "The sudden silencing of the songs of birds, the obliteration of the color and beauty and interest they lent to our world such that spring now comes unheralded by their return, with the early mornings strangely silent where once they were filled with beauty of bird song". The scientist discovered that chemicals applied to plants and tree slowly leaked into the soil and water, there upon entering the food chain. The work primarily established in the public mind the simple principle that environmental degradation anywhere has enforceable consequences elsewhere, that all human beings are part of the environment, and that they cannot poison the earth, its waterways or its air without eventually poisoning themselves. This event created a new consciousness all over the world about the harmful effects of the pesticides which brought about serious environmental degradation.

The United Nations Conference on Human Environment (1972:205) focused the world attention on the environment. In the decade of 1970s, environmentalism had emerged as a global movement and 'Earth Day' has been celebrated across the globe since 1970. The conference also highlighted the fact that environment should be related to humanity. The policy makers were also sensitized all over the world not to take the earth for granted in the name of development which posed series of threats to sustainable environment. The Indian and Brazil governments were very vocal in voicing their concern for safe environment in the Stockholm conference. Indian Prime Minister Indira Gandhi strongly contended that if pollution was the price of progress, her people wanted more of it.

Hay et. al. (2005:102) note: “The scholars not only report on what is happening, but offer solutions, advocate for positive change, and link environment journalism to other fields to build theory as well as practice. Environmental justice activists should strive for a coordinated national strategy; build and mobilize resources; frame problems in terms of class, gender, and national inequities as well as race based problems; and forge stronger links to the mainstream (corporate) environmental organizations”.

Guru (2015:100) advocates: “The environment has become a prominent issue at the global level in the recent times. The development projects should be implemented consciously with a view to prevent the pollution of environment. The present process of development has brought about environmental pollution all over the world in the absence of proper sustainable developmental concerns and strategies. The environmentalism became a worldwide movement in the decade of 1970s. New dimensions are added to the process of environment protection which primarily include – ethical, cultural, educational, social, political, economic, legal, managerial, communicative and so on. Preserving the environment has become the salient feature of contemporary development plans across the globe. Several environmental movements have highlighted the need for achieving sustainable development on the basis of systematic environment protection. The media of communications have also played a notable role in creating environmental awareness among the people. In the new millennium, all nations in the world have to address the environmental problems seriously and work together in order to achieve the goal of sustainable development. The policy makers and others are required to strike a meaningful balance between environmental and development”.

There was a firm realization that environmental problems need to be addressed by the policy makers, administrators, activists and people with utmost concern and seriousness. Several national governments established expert committees on environment protection and brought about series of legislations with a view to prevent environmental degradation. The plan documents also highlighted the importance of environment protection. In the recent Paris Conference (2015), the global leaders were sensitized by the media and activists about the imperativeness of environment protection. India played a crucial role in the incorporation of progressive ideas and

strategies in the resolutions which have far reaching implications for environment management and protection across the globe.

### **Corporate Initiatives for Environment Protection**

The 'Brundtland Commission Report' was the outcome of the resolutions and recommendations of the World Commission on Environment and Development (1987). The document was a milestone in the history of environmentalism. The Brundtland Commission Report coined the term 'sustainable development' and explicitly postulated a positive role for the business corporation in furthering the cause of environmental protection. The Brundtland Commission Report coined the term 'sustainable development' and explicitly postulated a positive role for the business corporation in furthering the cause of environmental protection.

Brundtland Commission (1987) upheld the relationship between development and environment thus: "The needs of the present without compromising the ability of future generations to meet their own needs should be understood by the policy makers and stakeholders of development across the globe". The commission provided a valuable approach to corporate environmentalism which lies in the intersection of the three major areas of human concerns: environmental protection, provision of basic human needs, and advancing economic welfare.

Sharma and Vredenburg (1998:194) dealt with the pro-active corporate environmental strategy and remarked: "The proactive companies, in contrast, perceived a number of competitive benefits emerging from their environmental response. These included lower costs of processes/inputs/products, innovations in processes/products/operating systems, improved corporate reputation, and relationships with a wide range of stakeholders. In contrast, the reactive companies were unable to associate their corporate environmental responsiveness strategies with any positive organizational outcomes other than lower liabilities due to reduction in risk of environmental accidents. Thus, proactive companies benefited from a battery of subtle sources of social influence derived from their employees' close relationships with the representatives of these stakeholder groups. The trust and credibility developed by proactive companies with a variety of stakeholder groups is a path-dependent strategic capability that cannot be easily imitated by competitors. The

proactive companies provided an organizational context to support experimentation and the seeking of opportunities at the business/natural environment interface in an efficient and effective manner through employee compensation systems and by facilitating managerial discretion”.

Sustainable development is usually conceptualized as corporate environmentalism by the scholars. Corporate environmentalism represents the processes by which firms integrate environmental concerns into their decisions. It is the organization-wide recognition of the legitimacy and importance of the biophysical environment in the formulation of organization strategy, and the integration of environmental issues into the strategic planning process. Corporate environmentalism—requires managers to simultaneously consider three perspectives: the environment, the stakeholders and the organization’s competitive advantage, according to Banerjee (2002:23).

The industrial and business organizations are criticized by the thinkers and activists for contributing towards environmental pollution in the name of development. There has been much popular discussion of the role of green investors in driving companies to adopt greener practices. The value of the corporate houses increases if they make their social donations for better environment management.

Maxwell et. al (2000:141) comment on the political economy of corporate environmentalism thus: “Corporate environmentalism is on the rise, it remains controversial. Critics argue that self-regulation provides less environmental protection than does government regulation. Welfare concerns are likely to become increasingly important. An increased threat of government regulation induces firms to voluntarily reduce pollution emissions. The firms’ profits can be enhanced by cooperative voluntary pollution abatement that preempts mandatory controls. Our most striking finding is that states with high initial emissions levels along with strong environmental group membership generate more voluntary pollution abatement. In these states, firms have relatively low marginal abatement costs and face consumers who highly value marginal improvements in environmental quality and are already well organized to apply political pressure. The cost of self-regulation is low while the threat of government regulation is high, so voluntary abatement is a sound business decision”.

Banerjee et. al (2003:24) underline the importance of corporate environmental obligation thus: “The relationship between environmental orientation and environmental strategy is complex, mostly because of their multidimensional nature. There are two facets to corporate environmentalism: orientation and strategies. Environmental orientation is the recognition by managers of the importance of environmental issues facing their firms, and environmental strategy is the extent to which environmental issues are integrated with a firm's strategic plans. Internal environmental orientation reflects a company's internal values, standards of ethical behavior, and commitment to environmental protection. External environmental orientation refers to the aspects of a firm's environmental orientation that affect its relationships with external constituencies, such as financial or community stakeholders. Integration is the key issue, and environmental concerns are not treated as ex post issues after corporate strategic plans are made but as ex ante concerns to be integrated with the corporate strategic planning process. Environmental concerns can also influence business- and functional-level strategies. Competitive advantage is a powerful economic force, internal and external to a firm that influences corporate environmentalism. Corporate environmentalism offers competitive advantage by significantly lowering costs in the long run or helping differentiate products and services. Top management commitment is a strong internal political force that can foster corporate environmentalism. Any efforts to move firms toward environmentalism must recognize the significant role of top management commitment. A clear implication is that raising environmental strategies to the corporate level will require high internal environmental orientation, high levels of public concern, strong regulatory forces, and vigorous top management commitment”.

Maxwell and Decker (2006:140) emphasize the need for corporate voluntary environmental investments thus: “Corporate voluntary environmental investments have been rising in recent years. Motivations for such activities include corporate image building, regulatory preemption, and production cost savings. While some of these investments arise from industry attempts to set environmental standards where none currently exist, many investments seem to be aimed at reducing the costs of complying with existing regulations. These additional investments may be socially undesirable, necessitating a restructuring of non-compliance penalties. Switch to responsive regulation should be accompanied by an adjustment of the fine structure.

Firm interactions might lead to strategic environmental investments designed to shift regulatory scrutiny on to rival firms. In this case, product market competition might affect firm investment behavior and may have associated welfare implications”.

The recent efforts of market and non-market forces in making environmental CSR are profitable. The non-governmental organizations have strongly influenced CSR activities, through both public and private politics. CSR can have varied effects, from attracting green consumers or investors, to preempting government regulation, to encouraging regulation that burdens rivals.

Scholars have observed that the firms that engage in unsustainable CSR may find themselves being pushed out of business. The forces of globalization only increase this pressure. The managers may misjudge the potential profitability of certain actions, leading them to invest in actions that benefit society but harm the firm’s bottom line. Evidence on sacrificing profits in the social interest is lacking. The bulk of the available evidence suggests that most firms view socially responsible actions in the same way that they view more traditional business activities. The proponents of sustainable business practices may argue that being environmentally responsible will inevitably lead to higher profits in the long term, the relationship between socially responsible activities and profitability may be best characterized as some firms will generate long-term profits from some socially responsible activities.

The current paradigm of environmental regulation faces increasing challenges under the strain of an expanding population and burgeoning conflicts over resource quantity and quality. The concept of CSR has regained broad appeal in response to perceived negative social and environmental effects from market globalization and trade liberalization over the last decade or so. Yet numerous ecosystems across the nation and the world remain in steady decline despite what is perceived as a heavily regulated field. The laws that delivered these original environmental successes overlook the more pervasive and far more subtle environmental problems of today, including species decline and habitat loss, among others. Therefore, this era's challenge will be to mitigate pollution sources and ecosystem degradation not so amenable to regulation, such as global climate change, the mass exportation of environmental degradation overseas, and non-sustainable resource consumption.

The corporations are soulless because corporate structure insulates shareholders from normative forces –social and moral sanctions-that might otherwise engender greater profit sacrificing behavior for the benefit of society, known as corporate social responsibility. The managerial discretion to sacrifice corporate profits in the public interest is not just inevitable, but affirmatively desirable. The critical environmental challenges cannot be addressed without more and better government regulation. The combination of normative forces, applied to both democratic processes and corporate managers, will probably be necessary to achieve the right level of corporate social responsibility and the proper legislative reforms necessary to meet this era's environmental challenges.

Chan (2010:51) highlights the relevance of corporate environmentalism thus: “Specifically, it is believed that firms with a strong environmental orientation will be more likely to engage in an environmental strategy than those firms that do not adopt such a strategy. The pro-environmental corporate culture directly influences the practice of environmental strategy. Owing to a dramatic increase in environmental consciousness worldwide, firms that practice environmental strategy (through reducing the environmental impact of their products or creating new types of environmentally sound products) will be more competent in satisfying the demands of the growing green market. Furthermore, strategists have suggested that firms tend to be strategically more proactive when they perceive the operating setting as highly uncertain. It is apparent that effective translation of internal environmental ethics, and of external stakeholders’ environmental demands into corresponding strategic initiatives, should improve firm performance”.

Much research indicates that navigating the path to corporate environmentalism requires top management commitment. In essence the pragmatist’s resistance is underpinned by pragmatic considerations about the tangible outcomes and benefits of corporate environmentalism and the practicality of implementation in the current context. Indeed, moving toward corporate environmentalism would ensure meaningful sustainable development which is based on commitment and quality. Our findings also suggest that successfully navigating the path to more sustainable organizations will require change management strategies to appeal to the diverse values and priorities of organizational managers and executives.

## **CSR and Environment Protection**

The environment has become a prominent issue at the global level in the recent times. The development projects should be implemented consciously with a view to prevent the pollution of environment. The present process of development has brought about environmental pollution all over the world in the absence of proper sustainable developmental concerns and strategies. The environmentalism became a worldwide movement in the decade of 1970s. New dimensions are added to the process of environment protection which primarily include – ethical, cultural, educational, social, political, economic, legal, managerial, communicative and so on. Preserving the environment has become the salient feature of contemporary development plans across the globe. Several environmental movements have highlighted the need for achieving sustainable development on the basis of systematic environment protection. The media of communications have also played a notable role in creating environmental awareness among the people. In the new millennium, all nations in the world have to address the environmental problems seriously and work together in order to achieve the goal of sustainable development. The policy makers and others are required to strike a meaningful balance between environmental and development.

### **1.5 Environment Communication in Corporate Houses**

#### **Environment Communication**

Environment literacy is the need of the hour. There are increasing threats to environment in the name of industrialization, urbanization, mechanization, modernization and development processes. The developed countries have polluted the environment more than the less developed countries in the world. The earth summits have called upon the stakeholders of sustainable development to save the earth from pollution and other environmental hazards. Environment protection demands integrated efforts put forward by various stakeholders from local to global levels. The government, corporate houses, non-government organizations, educational institutions, media organizations and other institutions are called upon to create environmental consciousness and responsibility among the policy makers, bureaucrats, corporate leaders, businessmen and others in modern society.

Environment communication is an instrument of creating environmental awareness among the various stakeholders of environment protection.

UNESCO (1978:204) reports: “Environmental education is mission-oriented. A good environmental education program does not stop with the presentation of information, but helps learners wrestle with values and gain the skills to take relevant and responsible action. Thus the goal of environmental educators is to help learners form the capacity to collect and analyze information, make good judgments, and participate fully in civic life. The goal is to instill in learners the knowledge about the environment, positive attitudes toward the environment, competency in citizen action skills, and a sense of empowerment. Environmental education is a process of developing a world population that is aware of and concerned about the total environment and its associated problems, and which has the knowledge, skills, attitudes, motivations and commitment to work individually and collectively toward solutions of current problems and the prevention of new ones”.

OECD (2000:163) states: “Environmental Communication is the planned and strategic use of communication processes to support effective policy-making and project implementation geared towards environmental sustainability. Despite its acknowledged impact, Environmental Communication is rarely integrated in development cooperation Programs as a strategic tool. Environmental Communication can become an integrated component of policies and projects, and thereby help ensure that adequate human and financial resources are allocated to this end”.

Flor (2004:83) defines: “Environmental communication as the application of communication approaches, principles, strategies and techniques to environmental management and protection. Environmentalism as we know it today began with environmental communication. Environmental communication has six essentials: knowledge of ecological laws; sensitivity to the cultural dimension; ability to network effectively; efficiency in using media for social agenda setting; appreciation and practice of environmental ethics; and conflict resolution, mediation and arbitration”.

Strongman (2012:203) amplifies: “Environmental communication is concerned at a basic level with the way that human beings create their own signs and

continually encounter, interpret and use the signs created by others. Environmental communication is the enquiry into the methodologies, theories and practices of the ways in which individuals, organizations, societies and cultures construct, receive, interpret, understand and use messages about and within the environment by human interactions, thoughts and informational exchanges using a variety of mediums, tools and technologies. It may include interpersonal and business communication, education for sustainable development, communication within virtual communities, communication in professional contexts such as psychology and medicine, participatory and specialist's decision making frame works, and corporate organizational communication. Environmental communication is a strategic use of communication processes to support environmental sustainability”.

De Nooy (2013:64) delineates: “Natural resource management systems are designed to facilitate knowledge sharing and adaptation of values among stakeholders. Interpersonal communication mitigates institutional barriers among stakeholder groups. Management efforts directed at establishing, maintaining, or intensifying communication ties among members of different stakeholder types may then be beneficial to consensus formation across stakeholder groups. The context as well as time is crucial for understanding and managing the effects of environmental communication among stakeholders”.

Guru (2015:100) states: “Environmental communication is communication about environmental issues, affairs and concerns. It includes diverse forms of interpersonal, group, public, organizational and mediated communication that make up the social discussion/debate about environmental issues and problems, and our relationship to non-human nature. Environmental communication manifests as the discourse of nature and its subset, the environmental discourse. As a field of study, environmental communication is a diverse synthesis of communication theory and environmental theory that examines the role, techniques, and influence of communication in environmental affairs. The ultimate goal of environmental communication is to protect the environment by enlisting active participation of various stakeholders of environment protection, management and development”.

Environmental communication is required to produce a new generation of environmental communicators who are required to create strategies for reaching

certain audiences, develop messages, select the appropriate media to reach these audiences and enlist active participation of various stakeholders in environment protection endeavors. Environment communications campaigns are varied, multifaceted, highly planned, and strategically assembled media symphonies designed to increase awareness, inform, or change behavior in target audiences. Environmental communication is pragmatic because it helps individuals and organizations to accomplish goals and literally do things through communication. It basically includes educating, alerting, persuading and collaborating. Environmental communication is constitutive because it helps to shape people's understandings of environmental issues, themselves, and nature.

### **Process of Environment Communication**

The process of environment communication basically includes – educating the masses about environmental issues, facilitate a proper understanding of environmental trends and developments, motivating people to participate actively in the environmental movements and developing standards for sustainable environment in the country. The innovative environment communication process facilitates expansion of knowledge, persuasion of people, decision making by the people and participation in the sustainable environmental Programs and campaigns.

Environmental communication process has 3 stages namely – a)Pre-campaign activities (preparatory activities, surveying the attitudes and behaviors of people, making an assessment of environment communication requirements and evolving communication strategies, b)Campaign activities (launching intensive communication, delivery of required services, motivations campaigns, persuasive activities, coordination with other agencies and monitoring the campaign) and c) Post-campaign activities (evaluation of the impact of campaign and follow up activities).

The environment communication process also includes several players since it demands integrated and coordinated campaigns and services. Prominent among them include government and political elite, environment administrators, environment service staff, functionaries, opinion leaders and people. The process of environment communication needs to be handled in a careful and responsible manner in order to achieve optimum success. The environmental communication strategy includes – a)

base line data gathering and needs assessment, b) formulation of environment communication objectives/ goals, c) planning analysis and strategy development, d) audience analysis and segmentation, e) media selection, f) message design and development, g) effective planning, h) manpower training development i) Program implementation and j) scientific evaluation.

### **Environment and Media**

The media organizations have considered environment protection as a significant issue concerning public welfare and sustainable development of the country. The Earth Day was celebrated in 1970 all over the country and the media in India provided wide support for environmental protection as a matter of serious national concern. The UN Conference on Human Environment (1972:205) paved the way for considerable coverage of environmental issues in the media. The media have also facilitated series of public debates and discussions over the issue of environment protection.

The decade of 1980s saw magazine boom all over the world. The news magazines and professional magazines gave high priority for environmental issues. Leading newspapers created environmental beats and produced a specialized team of environmental journalist. There were serious discussions in the legislature on environment pollution and environment protection. The non-government organizations also played a major role in highlighting environmental issues and prepared grounds for social action. The media institutions also demonstrated environmental activism as a matter of social concern and responsibility. A new branch of communication called 'environmental communication' also emerged in the academic sphere of life. Universities and other scientific and technological organizations also started organized environmental education, training, research and publication activities. The media also created a new bandwagon of environmental communicators.

The media recognized environment as an important issue in the decade of 1970s after the celebration of Earth Day which brought about a new consciousness on environmentalism. The New York Times started an environmental beat for the first time in the United States. The protest of environmental activists and groups was

highlighted in the media, legislature and judiciary. In India the Bhopal disaster (1984), Silent Valley movement in Kerala, Chipko movement, Narmada Bachav Andolan, Enron project and other issues were highlighted in the media. There was widespread recognition of environmental issues, movements and activities in the decade of 1980s. The western and eastern media took note of various environmental issues, organizations, movements and activities and provided the benefit of coverage. The government also took several legislative measures with a view to contain the growth of environmental degradation. The environmental groups and media also worked together in order to formulate formidable public opinion against environment pollution.

Pakulski and Crook (1998:170) write: “The media have also played a major role in broadening the public awareness and facilitating public opinion formation which have sensitized the policy makers and other stakeholders of environment protection in the world”. Other leading newspapers started publishing special write-ups, columns and pages on various aspects of environmental pollution and methods of environment protection. The radio provided special broadcasting services on environment management. Television networks also broadcast special Programs on environment related issues. News reels and documentaries were also produced by the government and non-government agencies in order to create awareness among the masses about the need and importance of environment protection.

Guha (1992:97) observes: “Since the early 1980s, Indian journalists have done a great deal to bring the environment into wider public attention. They have produced detailed reports on ecological degradation in different parts of India, and the human suffering that has followed in its wake; vivid portraits of popular movements against environmental destruction and of the men and women in the forefront of these movements; and critical analysis of state policies for environmental practices and rehabilitation”. Environmental issues received better priority in the media. Several investigative reports also appeared in the print and electronic media which focused the attention of policy makers and people. There were also a good number of public interest litigations filed by activists which enabled the courts to come out with progressive judicial pronouncements. These judicial decisions and actions were also highlighted in the media.

The decade of 1990s also witnessed several environmental movements in India and other parts of the world. The discoloring of Taj Mahal, pollution of Yamuna and Ganga, Narmada Bachav Andolan, deliberations of Earth Summit in Rio de Janeiro (1992), Paris Summit (2015) and other major issues were seriously reported in the media. Especially the Earth Summit received commendable media coverage all over the world. The environmentalists were encouraged by the media to write special columns and broadcast special Programs on various aspects of environment protection. Special magazines were also brought out exclusively for the benefit of policy makers, administrators, scientists, technocrats, academicians, researchers, students and others interested in the field of environment. These professional magazines contained specialized reports, articles, features, profiles, editorials, interviews, reviews, criticisms and other creative and critical analyses of environmental issues.

The government and non-government agencies also brought about house journals on environmental issues. Newsreels and documentaries were also produced and exhibited all over the country in order to educate the masses about their role and responsibility regarding environment protection and management. Multi-faceted writings appeared in the print media while special broadcasting Programs were broadcast in the electronic media on environmental issues, challenges and responsibilities. The new media of communication also provided abundant information on environment through virtual means and methods across the globe. In the age of new media the policy makers and people enjoyed the benefits of access and connectivity with respect to environment protection. The ethical, social, economic, political legal, scientific, technological, operational and other aspects of environment management were brought to the fore by the media.

Several fora of mass communicators and journalists have come into existence in many countries in order to provide environment- friendly media services in a systematic and professional ways. The code of ethics for journalists and communicators has been adopted over a period of time. The international Federation of Environmental Journalists (IFEJ) is an alliance of environmental journalists in about 52 countries. It has the primary objective of improving the public understanding of environment and sustainable development issues across the world through proper

networking, training and promoting free access to information. This body also provides moral and material support to the environmentalists. The federation also advocates that mass communicators must assume the role of advocates of public interest in order to prevent global warming, decay of life protecting ozone shield, loss of topsoil and forests, the degradation of the oceans and loss of precious species of plants and animals in future.

The media institutions also considered environment as a major issue for coverage and criticism. Print and electronic media also devoted considerable space and time for the discussion of environmental issues. Public opinion was created by the media and progressive movements about environmental issues. There was couple of progressive judicial pronouncements which upheld the significance of sustainable environment. Several progressive activists courted arrest for their active involvement in the environmental movements. Indian journalists, broadcasters and communicators demonstrated great interest in highlighting environmental issues and created strong public opinion. The ultimate goal of environment communication is to change the attitudes and behavioral patterns of individuals, groups and communities for better environment management and national development. The goal of national development can be achieved by providing suitable environment friendly information, education, guidance, counseling, motivation and allied services. Environment communication is also required to create a sense of belongingness, preparedness, activism and participation among the people with respect to safeguarding environmental resources and sustaining national development.

Neuzil and Kovarik (1996:162) underline the importance of media in environment protection thus: “Media can promote and inhibit social change of which values and attitudes toward the environment and environmental policy has changed. Therefore, the media should be addressed in understanding the lack of knowledge about global warming in our society and the lack of importance attributed to global warming”.

Allan et. al (2000:04) analyzed the environmental risks and media and remarked: “Environmental Risks and the Media explores the ways in which environmental risks, threats and hazards are represented, transformed and contested by the media. At a time when popular conceptions of the environment as a stable,

natural world with which humanity interferes are being increasingly contested, the media's methods of encouraging audiences to think about environmental risks have become more controversial. The media have not laid adequate emphasis on spectacular events at the expense of issue-sensitive reporting”.

Dispensa and Brulle (2003:71) have critically examined the lapses of media in the social construction of environmental issues like global warming thus: “Global warming has been a well recognized environmental issue in the United States for the past ten years. The role that media play in constructing the norms and ideas in society is researched to understand how they socially construct global warming and other environmental issues. The U.S's media states that global warming is controversial and theoretical, yet the other two countries portray the story that is commonly found in the international scientific journals. Therefore, media, acting as one driving force, is providing citizens with piecemeal information that is necessary to assess the social, environmental and political conditions of the country and world. Additional research into the control of media is needed to identify and expose to the public the abusive powers that exist within the media power structure. This exposure will better allow society members to criticize the information produced by the media as well as to research and formulate their thoughts and opinions”.

Ward (2008:209) discussed the role of media in the age of climate change and offered thought provoking insights to journalists and scientists. It reads: “The concerns about the communication of climate change science appeared wide spread among many climate scientists and also among many journalists. Scientists harbored great frustration with the news media, which they saw often reverting to a flawed approach that balanced expert scientific assessments against policy-motivated objections lacking in scientific gravitas. They emphasized that in an era of declining newsroom budgets and shrinking air time and print space available for such a complex and sometimes arcane issue, they often encountered obstacles to coverage within their own news organizations. Reporters complained that their own newsrooms and editors often were not supportive of their efforts to report on climate change. The mass media should play a crucial role in the protection of environment on the basis of professional excellence and social commitment”.

Monck (2008:155) in a book review laments about the sorry state of affairs of media with reference to environment thus: “There is a crisis of trust. The mainstream journalists often tell lies about environmental issues and concerns. The media moguls have often failed in their campaigns to use their newspapers to change government policies on environment. Murdoch is far more influential than a normal businessman and that public relations companies can get their products higher profiles by manipulating the media. Throughout history what goes in to the news media tends to be a product of both commercial imperatives and the peculiar culture of the journalists themselves. Lippman wanted the media to manufacture consent based on expert opinion, but Monck says they don’t even do that. In fact, he says, the media spends most of its time distracting us rather than informing us. Even a newspaper like the earnest Guardian/Observer is packed full of lifestyle and human interest content in an effort to make the factual reporting and analysis palatable. I think that the real crisis of mainstream media today is not a moral sense of trust. It is the more practical problem that mainstream media is no longer relevant to people. I believe that this is especially true in a New Media environment where the citizen can create their own media and seek out information with minimal mainstream media packaging”.

Boykoff (2009:43) pointed out the role of mass media in environment protection thus: “Mass media serve a vital role in communication processes between science, policy, and the public; thus, representations of the environment shape many perceptions of environment problems and considerations for environmental governance. Mass media stitch together formal environmental science and policy negotiations to the cultural politics of the everyday, where various actors work to make claims and articulate environmental challenges in particular (and oft-competing) ways. A persistent challenge in media portrayals of the environment has been the propensity to treat many distinct environmental processes as one, and this highlights conflicts and debates in places where complexities and convergent agreement in science and policy may actually reside. Fairness, accuracy, and precision in media reporting remain critical: To the extent that efforts have fallen short of such aims, media coverage of the environment has contributed to critical misperceptions, misleading debates, and divergent understandings, which are detrimental to efforts that seek to enlarge rather than constrict the spectrum of possibility for appropriate responses to various environmental challenges. Many complex factors contribute to

media representation practices: External (such as political economic challenges associated with corporate media consolidation) as well as internal influences (such as contributions from the deployment of journalistic norms) shape these representations”.

Hansen (2011:101) delineates the environmental communication research thus: “There is a need for media and communications research on environmental issues/controversy to reconnect with traditional sociological concerns about power and inequality in the public sphere, particularly in terms of showing how economic, political and cultural power significantly affects the ability to participate in and influence the nature of public ‘mediated’ communication about the environment”.

In the present times, the media have extensively covered national and international environmental issues, such as the 2010 BP oil spill and Japan’s 2011 nuclear power plant disaster, and they have been actively discussed by business companies, consumers, environmental activist groups, and decision makers. In addition, a survey of consumers found that 72% of Americans are well aware of environmental issues and problems, and 28% of Americans seek out environmental information. With the increasing ecological concerns and skepticism toward green marketing and green claims in advertising in recent years, media institutions have realized the significance of environment communication.

Anderson (2014:07) stresses the inter-relationship between media, environment and network society thus: “In a rapidly changing media landscape, environment communication occupies an important component of media services. There is a shifting role of the media in covering some of the most important global environmental challenges. The success of an environmental campaign cannot be judged by media visibility alone. The environmental issues are not properly constructed in the media platforms which belong to market forces. But, the power dynamics of online and offline media and activism have made all the difference of late”.

In the age of globalization of media, the market forces set aside the subject of environment since it did not fetch any financial benefit to the owners. Especially, in the age of ‘infotainment’ environmental concern in the media started decreasing

because of inadequate corporate social responsibility on the part of media which were owned, managed and controlled by the transnational corporations. In the new millennium, the media professionals are converted into media executives. The media executives are required to write the news and sell the news in the age of competitiveness. This aspect has been aptly highlighted by contemporary media critics.

### **Corporate Sustainability Communication (CSC)**

Modern organizations have strong incentives for adoption of better environment management practices which are influenced by a variety of external pressures as a matter of corporate social responsibility. The stakeholders expect modern organizations to behave in a socially and environmentally responsible manner. Corporate houses are divided into four categories, namely; resistant, passive, reactive and innovative from the point of view of environment management. Companies that fall in the first category are the ones that view concern for the environment as a hindrance to their growth and do their level best to hinder the passing of environmental laws. Passive companies are like Steger's indifferent companies, who ignore the issue altogether. Roome argues that action taken by reactive companies has been triggered off by legislation, whereas Topfer sees it as a defensive move to catch up with the competitors. The last category, the innovators are the same as Steger's innovators and Simpson's enthusiasts. The pro-active and innovative environmental management and communication approaches enhance the reputation of corporate houses.

The degree of coverage of environmental management systems varies from company to company. Companies that have committed themselves to a high standard of environmental management often want to guard themselves against being tainted by possible shortfalls in the environmental performance of their suppliers and contractors. Under the changed circumstances, a large number of organizations have signed up to voluntary environmental initiatives. Consequently, an increasing number of corporate houses have taken steps to assess, monitor and report on their environmental performance. These companies use various channels and tools to communicate their environmental performance and to manage their environmental

impacts. An increasing number of firms publish information on the environmental impact of their activities.

Corporate Sustainability Communication is a proactive, long-term, future oriented plan for balancing financial, social, and environmental issues with a specific, sustainable plan. Corporate houses actively engage in CSC to conserve natural resources and protect the sustainability of environment as a matter of corporate social responsibility. Scholars have examined the relationship between corporate communication and environment protection and reported that the risk perception was an obstacle to corporate communication practice in relation to environment protection. Organizations are required to build and enhance the corporate reputation through portrayal of environment friendly products and services rendered by them.

Bhargava and Welford (1996:35) observe: “The corporate strategy is being driven by environmental pressures. Major changes in corporate strategy are clearly visible due to the increased environmental concerns of stakeholders and the belief that being ‘green’ pays through cost reduction and increased market entry. The corporate houses use various publicity and advertising strategies to reach out to the people about their contributions for environment protection”. Environment communication is perceived as one of the corporate obligations in the present times. There is a well established linkage between corporate social responsibility and environment protection.

Several researchers have examined the impact of CSC on financial performance. Menon and Menon (1997:149) observed significant association between business performance and sustainable communication. Stone and Wakefield (2000:202) found eco-oriented companies were more likely to yield better market performance. Bansal and Clelland (2004:26) noted that corporate sustainable communication produced higher business performance and enhanced corporate reputation. Ramus and Montiel (2005:178) noticed that corporate reputation was enhanced through corporate sustainable communication. Menguc and Ozanne (2005:148) stated that corporate sustainable communication increased market share and improved the stakeholder’s reactions to a company. Signitzer and Prexl (2008:196) reported that corporate houses which implemented sustainable development Programs had earned long-term success on the basis of support of top

management and networking of several other corporate systems. The scholar also noted that companies had engaged in communications about sustainability issues for marketing, business, and/or societal reasons. Thus, a positive relationship between environmental practices and business performance supports a concept of CSC that simultaneously encompasses all three pillars: economic, environmental, and social issues.

Bibri (2008:38) emphasizes the CSR communication thus: “Sustainability has been a part of corporate culture and strategy development for a number of organizations pursuing the sustainability path for decades. The growth of corporate sustainability communications has reflected the keen interest from all stakeholders; hence, it has become a topic of major importance and also, as it was found, a key factor that experts and planners in the field should capitalize on and watch in competitive marketplaces. Furthermore, having a pro-social and environmental agenda means having a sound corporate and marketing communications strategies that can build a company’s reputational standing and create sustainable competitive advantages. The trend towards injecting sustainability into corporate decisions making and strategy development has come about through what organizations have achieved in terms of value creation pertaining to reputation and financial performance enhancement”.

Cox (2010:62) believes that communication with environmental content between friends, colleagues, family and businesses has a noticeable effect upon the way the environmental situation is formed. Cox argues that organizational environmental commitment for environment protection is highly essential in the age of globalization. Cox states that environmental communication means the pragmatic and constitutive vehicle for our understanding of the environment as well as our relationships to the natural world. Environmental communication is not defined as a specific public relations communication path, as compared to Green Advertising. It is however, a method which is used within public relations publications when wanting to have an effect upon the public’s opinion to environmental related issues, according to him.

The corporate houses are required to understand the concerns of stakeholders which is critical in determining the path of the relationship. Thus, communications

strategies are becoming a vital source to build and develop relationships with a wide range of stakeholders. They have realized the importance and value of conducting business operations from sustainability perspective. The corporate sustainability communication is a key corporate strategy and it can be of value and import for the organization to integrate sustainability into corporate communications to respond promptly to stakeholders' concerns and demands. This is paramount for organizations to fruitfully interact and build favorable relationships with various entities in society on the basis of corporate environmentalism in modern times.

## **1.6. Brief Profile of Select Corporate Houses**

### **1.6.1 Grandi Mallikarjuna Rao Group (GMR)**

Grandi Mallikarjuna Group (GMR) was established in 1978, in Bangalore, Karnataka. The GMR group has completed three decades of successful professional innings in the vital sectors of the national development such as airports, energy, highways, urban infrastructure and agri-business. The core business of the group is in the sectors of infrastructure comprising of airports, energy and urban infrastructure. The group is actively engaged in the areas of education, health and community services on the basis of Corporate Social Responsibility (CSR). This organization makes continuous investment in economic and social infrastructure which is essential for developing a prosperous economy. GMR Male International Airport Private Limited is a joint venture company promoted by GMR Infrastructure Limited (GMRIL) along with sole consortium partner Malaysia Airports Holdings Berhad (MAHD) in 2010. GMR is the world's largest and India first barge mounted combined cycle power plant. The group highway business has 6 assets and 3 projects totaling a length of 730 Kms. GMR Varalakshmi Foundation (GMRVF) is the Corporate Social Responsibility arm of the GMR group. Its mandate is to develop social infrastructure and enhance the quality of life of communities around the locations of the group's presence. Focusing broadly on education, health, hygiene, sanitation, empowerment, livelihood program and community development. Today the foundations activities and initiatives are spread across the country. GMR group in its quest for growth has brought in the process of institutionalization and has evolved a set of seven values and beliefs to define GMR culture.

## **1.6.2 Hewlett Packard**

### **Hewlett Packard**

Hewlett-Packard Company or HP is an American multinational information technology corporation headquartered in Palo Alto, California, United States. It provides hardware, software and services to consumers, small and medium-sized businesses (SMBs) and large enterprises, including customers in the government, health and education sectors. HP was started by Stanford engineers William Hewlett and David Packard (Packard) in Palo Alto in the state of California in 1938 as an electronics instruments company. The first product manufactured by HP was a resistance capacity audio oscillator, an instrument for testing sound equipment. In the 1940s, HP's products became popular with scientists and engineers. Major product lines include personal computing devices, enterprise and industry standard servers, related storage devices, networking products, software and a diverse range of printers and other imaging products. Hewlett Packard India has its Headquarters in Bangalore. HP's CSR initiatives began in the early 1940s, with the donation of US\$ 5 to a local charity. The momentum for these initiatives was set by the company founders. In 1966, the company established HP Laboratories, to conduct research activities relating to new technologies and products. In the 1980s, HP emerged as a major player in the computer industry, offering a full range of computers from desktop machines to powerful minicomputers. HP introduced the Design for Environment (DFE) program that focused on energy efficiency, innovations in the materials used and in designing products that could be recycled.

### **1.6.3 Profile of ITC India**

ITC is one of India's foremost private sector companies with a market capitalization of US \$ 45 billion and a turnover of US \$ 7 billion. ITC is rated among the World's Best Big Companies, Asia's 'Fab 50' and the World's Most Reputable Companies by Forbes magazine and among India's Most Valuable Companies by Business Today. ITC ranks among India's '10 Most Valuable (Company) Brands', in a study conducted by Brand Finance and published by the Economic Times. ITC also ranks among Asia's 50 best performing companies compiled by Business Week. ITC's aspiration to create enduring value for the nation and its stakeholders is manifest in its

robust portfolio of traditional and greenfield businesses encompassing fast moving consumer goods (FMCG), hotels, paperboards and specialty papers, packaging, agri-business, and information technology. This diversified presence in the businesses of tomorrow is powered by a strategy to pursue multiple drivers of growth based on its proven competencies, enterprise strengths and strong synergies between its businesses. As one of India's most valuable and respected corporations, ITC is widely perceived to be dedicatedly nation-oriented. The ITC has been recognized as a global exemplar in sustainability. The company sees no conflict between the twin goals of shareholder value enhancement and societal value creation. The challenge lies in fashioning a corporate strategy that enables realization of these goals in a mutually reinforcing and synergistic manner.

#### **1.6.4 Profile of Philips**

Philips started operations in India at Kolkata (Calcutta) in 1930. Established as “Philips Electrical Co. (India) Pvt. Ltd”, The Company comprised a staff of 75 and was a sales outlet for Philips lamps imported from overseas. In 1957, the company is converted into a public limited company, renamed “Philips India Ltd” and in 1959; a second radio factory is established near Pune. In 1963, Philips invents the compact audio tape cassette and sets a global standard for tape recording that has never been altered since. In 1983, Philips launches the Compact Disc and revolutionizes the way the world listens to music. In the decade of 1990s, the company expanded its operations across the globe. It is decided to produce radio receivers in India to make this product readily and widely available to the Indian consumer. Philips actively participates in ‘Open Innovation’ through relationships with Academic and Industrial Partners, as well as via European and Regional projects, in order to improve innovation efficiency and share the related financial exposure. Philips has invested in the development of Green Technologies and enables its consumers to contribute to a healthier world on a day to day basis by choosing green products.

The public and private undertakings of Bengaluru City namely – HP, ITC, Philips and GMR have earned reputation for their multi-faceted accomplishments and contributions. They have also earned national and international recognition for their outstanding contributions for sustainable development oriented initiatives. They are well known across the globe for their financial status, business operations, corporate

social responsibility and contributions for the sustainable development and environment in the country. These corporate houses have well established corporate communication and advertising divisions which are headed by experts. They have reached out to various internal and external publics through innovative corporate communication practices and tools. The efforts of these corporate houses to enhance their reputation through sustainable development and environment initiatives are acknowledged by the media and society. These corporate houses have also realized the need for corporate sustainability communication. They have adopted innovative and healthy practices and expanded their operations across the globe because of adoption of healthy CSR practices and implementation of eco-friendly Programs.

### **1.7 Significance of the Study**

Environment communication is an instrument of creating environmental awareness among the various stakeholders of environment protection. Environment communication intends to promote positive attitudes among various stakeholders toward the environment. Environmental Communication should become an integrated component of policies and projects of modern corporate houses. Environment communication includes diverse forms of interpersonal, group, public, organizational and mediated communication that make up the social discussion/debate about environmental issues and problems environmental communication is required to produce a new generation of environmental communicators who are required to create strategies for reaching certain audiences, develop messages, select the appropriate media to reach these audiences and enlist active participation of various stakeholders in environment protection endeavors.

Corporate houses are required to play a major role in the process of environment protection through adoption of healthy CSR practices and communication strategies. The ethical, social, economic, political legal, scientific, technological, operational and other aspects of environment management are emphasized by the media comments and judicial pronouncements. International organizations have also emphasized the need for improving the public understanding of environment and sustainable development issues across the world through proper networking, training and promoting free access to information. Modern corporate houses have realized their social and environmental obligations in the new

millennium. Environmental issues have attracted the attention of modern corporate houses.

Corporate houses have strong incentives for adoption of better environment management practices which are influenced by a variety of external pressures as a matter of corporate social responsibility. Under the changed circumstances, a large number of organizations have signed up to voluntary environmental initiatives. Consequently, an increasing number of corporate houses have taken steps to assess, monitor and report on their environmental performance. Corporate Sustainability Communication has emerged as a prominent component of organizational management and corporate communication in the present times. The researchers have examined the impact of CSC on corporate performance. Thus, environmental communications strategies are becoming a vital source to build and develop relationships with a wide range of stakeholders.

Corporate houses have also demonstrated environmental concerns and addressed the environmental issues effectively. Corporate houses have also contributed notably towards the protection of environment which has become a thrust area from sustainable development point of view. A synthesis of the available literature suggests that adequate studies are not conducted across the world on the role of corporate houses in the protection of environment. A perusal of relevant literature also reveals that the past researchers have not investigated the environment communication strategies and services of corporate houses with reference to Karnataka state. Hence, the present study 'Environmental Communication and Corporate Social Responsibility - A Critical Study' assumes profound academic significance.

## **1.8 Statement of the Problem**

The corporate houses are required to understand the concerns of stakeholders which are critical in determining the path of the relationship. Thus, communications strategies are becoming a vital source to build and develop relationships with a wide range of stakeholders. They have realized the importance and value of conducting business operations from sustainability perspective. Hence, corporate sustainability communication is a key corporate strategy and it can be of value and import for the

organization to integrate sustainability into corporate communications to respond promptly to stakeholders' concerns and demands. This is paramount for organizations to fruitfully interact and build favorable relationships with various entities in society on the basis of corporate environmentalism in modern times. The corporate houses have understood the significance of environment communication in order to build and sustain corporate reputation. The present study was conducted on the basis of following academic considerations.

- Corporate communication is subjected to an extensive research across the globe.
- Corporate houses have realized the significance of reputation management on the basis of adoption of sound CSR practices.
- Corporate social responsibility has been demonstrated by the modern corporate houses in order to build and sustain corporate reputation.
- Corporate houses have also demonstrated environmental concerns and addressed the environmental issues effectively.
- Corporate houses have begun the process of corporate sustainability communication which aims at protecting the environment.

## **1.9 Objectives of the Study**

The specific objectives of the present study are as follows:

1. To understand the attitude of corporate houses towards corporate good governance.
2. To assess the adoption of healthy CSR practices by the corporate houses.
3. To analyze the implementation of environment protection Programs of corporate houses.
4. To examine the practice of corporate sustainability communication in the corporate houses; and
5. To suggest appropriate measures for the improvement of corporate sustainability communication in modern corporate houses.

## **1.10 Presentation of the Study**

The first chapter namely ‘introduction’ presents the salient features of the study such as - organizational culture in corporate houses, corporate social responsibility in the new millennium, role of corporate houses in environment protection, environment communication in corporate houses, significance of the study, statement of the problem and objectives of the study.

The second chapter namely ‘review of literature’ contains a brief summary of past studies under different headings such as - corporate communication research, corporate reputation management research, corporate social responsibility research, corporate environment protection initiatives and inferences of review of literature.

The third chapter namely ‘research methodology’ consists of the methodological details such as - research in corporate communication, conceptual framework of the study, hypotheses of the study, study variables, study sample, research design, primary data collection, secondary data collection, computation of data, statistical analysis, period of the study and definitions of the terms used in the study.

The fourth chapter namely ‘profile of corporate houses’ amplifies the organizational details of prominent corporate houses such as – GMR, Hewlett Packard, ITC India and Philips.

The fifth chapter namely ‘empirical analysis’ delineates the demographic features of the respondents, perception of respondents about corporate culture, awareness of stakeholders about CSR, CSR Programs of corporate houses, promotion of environment by corporate houses, CSR communication in corporate houses and gratifications of CSR communication.

The sixth chapter namely ‘conclusion’ enumerates the findings of the study, testing of hypotheses, limitations of the study, implications of the study, suggestions for future research and epilogue. The last part of the thesis contains bibliographical details, questionnaire and select photographs.

## **1.11 Summary**

Corporate houses are governed by certain ethical values and professional considerations. The quality of corporate governance matters most in this age of competitive business management. Corporate communication is an important component of organizational management. Corporate houses have adopted certain strategies of corporate communication in order to achieve success in terms of organizational reputation management. The Corporate Social Responsibility (CSR) is a corporation's initiatives to assess and take responsibility for the company's effects on environmental and social wellbeing. The 21<sup>st</sup> century has practically become the century of the social sector organization. Modern corporate houses have strong incentives for adoption of better environment management practices which are influenced by a variety of external pressures as a matter of corporate social responsibility. The present study evaluates the crucial relationship between the environmental communication and corporate social responsibility with special reference to select corporate houses in Bengaluru city.