

# The Relationship Between Corporate Green Management and Social Responsibility: A Conceptual Review

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**Abstract-** This era of increased knowledge & information moves us towards the rapid changes it is growing more and more with the passage of time. Over the past decades, the concept of corporate social responsibility has become a major area of research. The literature on green management often makes the point that, because corporates are the main cause of environmental problems, they should therefore play a large part in addressing EM issues. Consequently, there are now a very wide range of eco-initiatives being launched by corporates' managers to address environmental management concerns. This paper outlines the relation between green management and social responsibility. From this review of green management, it is clear that green management practices have significant role in increasing the concern of companies in their social responsibility. The topic of the green management and social responsibility (CSR) is receiving growing attention and this study highlights the idea that social responsibility and green management are becoming important, not fringe activities in organizations today. It also suggests that for many organizations, environmentally focused CSR appears to be viewed as a value driver with many benefits that are not reflected in traditional financial terms. As Porter and Kramer (2006) stated 'CSR can be much more than a cost, a constraint, or a charitable deed, it can be a source of opportunity, innovation, and competitive advantage' and from previous literature it is proved that the green management has a positive relation with social responsibility.

**KEYWORDS :** Green Management, Social Responsibility, companies

## I. INTRODUCTION

The organization social responsibility and green management debates are becoming one among the foremost subjects of management literature during this century. Green Management approach is perceived as a brand new management strategy, that aims to achieve a completely sustainable business, of which results are going to be visible within the financial, social and environmental areas (Tran B, 2009). This concept plays a very *important role within the development of more sustainable sorts of business, resulting in scale back their negative* impact on the environment, throughout conducting activities. It would appear that the idea of green Management is nothing new, however another term for the Sustainable Development concept, that is also supported three pillars: environment, society and economy. However, whereas the Sustainable Development concept (often referred as a triple bottom line) in its definition: Sustainable development is development that meeting the wants of the current generation, whereas providing for future generations to satisfy their needs (Skowron-Grabowska, 2014), emphasizes its wide application dimension and green Management sometimes refers to one organization solely. Another distinction between these two concepts, is that the

indisputable fact that whereas the Sustainable Development thought is addressed to everybody – that means organizations and individual units (it includes tips or principles, that firms and households can meet), the concept of green Management is directed to the organizations – firms, enterprises or consortiums (all kinds of business units). It ought to even be borne in mind, that the Sustainable Development concept was 1st developed in 1910, whereas the green Management concept appeared within the second half of the 20<sup>th</sup> century, as a response to growing consumer awareness within the field of environmental protection. The essential definition of green Management emphasizes three dimensions: ecological, social and financial, as is being shown within the following definition: green Management a business functioning in a capacity wherever no negative impact is made on the local or global environment, the community, or the economy. A green business will also engage in forward-thinking policies for environmental concerns and policies affecting human rights (Business wordbook, 2015). However, in giant organizations, green Management may be a concept, that in the main refers to the environmental aspects. It's concerning making the right policy environment, that will increase the level of look after the environment or cut back organization's negative impact on the environment, through the use of acceptable technology, sometime known as "Green", which can profit organization itself and its recipient or customers as well. In organizations, next to the green Management term, a company Social Responsibility term is being typically met: Social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. With this brief introduction, this paper introduces the methodology adopted during this review process and so deals with literature review on green management and its relation with social responsibility, next section provides a brief discussion, whereas final section presents the conclusion.

## II. THEORETICAL FRAMWORK:

### a. A historical overview about green management

The need for environmental awareness and green management evolves from a variety of wrongdoings that have transpired over time. The exact moment in history in which these environmental wrong doings originated is a subject for debate. Some may argue that with every generation of mankind, the environment has been suffering the consequences of selfish and wasteful human behavior. For example, there is an ongoing debate as to whether the Native American Indians were environmental conservationists who lived in harmony with nature or wasteful individuals who left buffalo to rot and burned down

forests to clear the land for farming (e.g. Anderson, 1997). Likewise, the pioneers have been accused of recklessly exploiting natural resources and destroying wildlife during the frontier days in the late nineteenth century (e.g. Udall, 1963; Buchholz, 1993). Further investigation into all populations that have inhabited the Earth could probably lead researchers to find fault with how humans have treated their natural surroundings throughout history. While wasteful and environmentally damaging human behavior can be identified in accounts that venture back centuries in history, the era known as the Industrial Revolution seems to stand out as a time period in which the most devastating environmental harm originated. Anderson (2004) supports this viewpoint, noting that present-day “restorative” organizations are now responsible for reinvesting in natural capital, restoring the biosphere, and ameliorating the nearly 300 years of damage that transpired during the industrial age. Thoreau was critical of the Industrial Revolution and dismayed by the fact that man was becoming blinded by wealth and losing his ties to the land (Udall, 1963). While the following discussion touches solely upon the industrialization of Great Britain and the USA and the development of environmental awareness in the US, we do recognize that countries such as China are presently in the midst of an industrial revolution and that a host of other countries place a high value on the welfare of the environment. The Industrial Revolution originated in England in the late 1700s, soon made its way to North America, and persisted throughout the nineteenth century. While there seems to be some debate as to exact start and end dates for this time period and whether it was actually a revolution, all historians tend to document similar trends and events that define the era (e.g. Ashton, 1948; Hobsbawm, 1969). This time period marked a shift toward a capitalistic economy (Hobsbawm, 1975), where wealth and profit were the valued goals of individuals and corporations alike. Factories were built, machinery was developed, and new inventions flourished, all of which contributed to an increase in production, efficiency, and profit. There was also a substantial growth in the population and a rapid increase in the amount of land that was being cultivated. With the production benefits and increased efficiency that accompanied the new factories, advanced machinery, and novel inventions also came increases in air and water pollution. With the increase in the population came the side-effect of increased resource consumption and waste. With the cultivation of land came the negative effects of extensive deforestation. While human behavior prior to the Industrial Revolution was most likely wasteful and environmentally detrimental to some degree, the paramount changes that occurred during this timeframe drastically magnified this environmentally-unfriendly behavior. This magnifying glass by which we refer to as the Industrial Revolution multiplied the number and severity of the consequences of human behavior. While humans would have continued to utilize and waste nonrenewable resources and pollute the environment at a constant rate over time, the Industrial Revolution was the catalyst that exponentially increased the rate of that consumption, waste, and pollution, creating an undeniable urgency to take steps to cease and rectify the environmental damage.

Based on a careful examination of this review and the corresponding body of literature documenting the progression of environmental concern from the Industrial Revolution to the present day, several terms related to the

concept of green management have prominently emerged. In response to industrialization, the concepts of ecological consciousness, conservation, and environmentalism emanated, along with a call to decrease resource consumption, waste, and pollution. While these ideas and practices are necessary and basic requirements of any green management initiative, they are not sufficient. The review proceeds to recount the progression of environmental awareness from basic legal *compliance in the 1970s* to being proactive, gaining a competitive advantage and profit from environmental initiatives, fostering innovation, and achieving sustainability in the 1990s. Present-day, green organizations have transformed into socially responsible, learning organizations and have taken the aforementioned environmental performance initiatives aimed at achieving competitive advantage, financial profit, increased innovation, and sustainability and have fully integrated these initiatives into the overall goals and strategies of their organizations. We feel these fully integrated goals of modern-day green organizations and the concepts of continuous learning and social responsibility should be inherent components of any comprehensive definition of green management.

### III. THE CONCEPT OF GREEN MANAGEMENT

The concept of green management is gaining attention within the academia. As such, analysis and theoretical contributions have begun to take shape in its literature institution. However, there exists an inadequacy in tutorial literature regarding green management from the perspective of practitioners. Such concerns are the ins-and-outs of green management, and its purpose being to induce to the triple-bottom-line. Green management isn't a concept describing new business management style. Green management describes the development (the construction method to be exact) of businesses. In alternative words, business management designs specialize in the recruiting of, the management of, and also the utilization of competent and proficient employees to supply profits on behalf of the business. Green management, on the opposite hand, is the couture method of producing profits. And following careful examination of the preceding review and the additional historically-based, practitioner-based, and theoretically-based literatures concerning green management, several recurring concepts were identified. The recurrence of similar concepts across three different perspectives solidified the importance of their inclusion in the following comprehensive definition of green management: Green management is the organization-wide process of applying innovation to achieve sustainability, waste reduction, social responsibility, and a competitive advantage via continuous learning and development and by embracing environmental goals and strategies that are fully integrated with the goals and strategies of the organization.

#### 2) Motives to be ‘green’

to engage in CSR in light of institutional theory. He maintained that a number of broad institutional and economic conditions verify whether or not CSR behavior possible (is probably going) to occur and suggested that companies can likely act in socially responsible ways that if strong and

well-enforced regulations are in place, along with well-organized and effective industrial self-regulations (Campbell, 2007). additionally, conditions which provide monitoring corporations' behaviors, like independent organizations, square measure thought of favorable for ensuring certain responsible behavior. Fombrun et al. (2000) believed that firms are increasingly coming to the realization that a strategically integrated CSR portfolio 'helps a company build reputational capital . . . By doing good, managers generate reputational gains that improve a company's ability to attract resources, enhance its performance and build competitive advantage'. Gimenez loyal et al. (2003) support this view and claim that there's an immediate and positive relationship between the adoption of environmental practices and also the company's competitive position. variety of theorists have maintained that firms would be motivated to adopt an industry-driven strategic approach to CSR, focusing in activities that expressed special trade competencies whereas at the same time strengthening their communities, and that intersectoral partnerships with non-governmental organizations (NGOs) and government agencies may help firms a lot of effectively accomplish social goals (Waddell, 2000; Waddock and Smith, 2000; Vidaver-Cohen and Simcic Brønn, 2008). The International organisation for Standardization (ISO) has launched the development of standardized tips for social responsibility (ISO 26000). The ISO claims that '... the need for organizations in both public and private sectors to behave in a very socially responsible way is becoming a generalized requirement of society' (iso.org, 2009). the standard will be usable for organizations of all sizes, in countries at each stage of development. These proposed standards would address the social responsibility not solely of business companies, however of all types of organization.

#### b. Social responsibility:

Social responsibility (or, company social responsibility) is a theory that asserts that businesses, additionally to maximising shareholder worth, have an obligation to act during a manner that benefits society. The International Organization for Standardization (ISO) emphasizes that a business's ability to keep up a balance between pursuing economic performance and adhering to social and environmental issues is a critical factor and effectively. Social responsibility means people and firms have a obligation to act within the best interests of their environment and society as a whole. Social responsibility, as it applies to business, is known as company social responsibility (CSR). The crux of this theory is to enact policies that promote an ethical balance between the dual mandates of try for profitableness and benefiting society as a whole. These policies can be ones of commission (philanthropy - donations of money, time or resources) or omission ("go green" initiatives like reducing greenhouse gases, abiding by epa rules to limit pollution). many corporations, like those with "green" policies, have made social responsibility an integral part of their business models. In general, social responsibility is more effective when a company takes it on voluntarily, as opposed to being required by the government to do so through regulation. Social responsibility will boost company morale, and this will be very true when a corporation can engage staff with its social causes.

#### 1) Corporate Social Responsibility :

The issue of corporate social responsibility (CSR) has been debated since the Nineteen Fifties. Latest analyses by Secchi (2007) and Lee (2008) reportable that the definition of CSR has been changing in meaning and practice. The classical view of CSR was narrowly restricted to philanthropic gift so shifted to the emphasis on business-society relations notably relating the contribution that an organization or firm provided for determination social issues. within the early twentieth century, social performance was tied with market performance. The pioneer of this view, Oliver Sheldon (1923, cited in Bichta, 2003), however, inspired management to require the initiative in raising each moral standards and justice in society through the ethic of economizing, i.e. economize the utilization of resources under the name of efficient resource mobilization and usage. By doing therefore, business creates wealth in society and provides better standards of living. The current CSR (also called as corporate responsibility, company citizenship, responsible business and company social opportunity) is a concept whereby business organizations consider the interest of society by taking responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities and alternative stakeholders as well as their environment. This obligation shows that the organizations have to comply with legislation and voluntarily take initiatives to improve the well-being of their employees and their families as well as for the local community and society at large. the corporate world is facing the notion of corporate social responsibility (csr) wherever it turns these days. on a wide range of issues corporations are encouraged to behave socially responsibly (welford and frost, 2006; engle, 2006). The definitions were gathered through an in extensive review of literature, that consisted of each journal articles and websites. when a web pages made reference to a definition articulated by others, the original source of the definition was retrieved. In general, businesses have a hierarchy of responsibilities to meet, ranging from the basic (making a profit) to the benevolent (benefiting society). Here are some examples:

- **Economic Responsibilities** – A business exists to make a profit for shareholders. If it fails to do to to thus, it likely won't be able to pay its staff, taxes and different obligations. a corporate social responsibility program (CSR program) can not be enforced till a business is profitable.
- **Legal Responsibilities** – Following the law is that the foundation of company responsibility. an organization cannot profit society if it doesn't adhere to labor and tax laws or applicable industry regulations..
- **Ethical Responsibilities** – Once a corporation is profitable and meets its legal responsibilities, it can move up the ladder to moral responsibilities, which could embody paying higher wages, giving staff better benefits, avoiding trade with unscrupulous firms or providing jobs to those who would otherwise have difficulty finding work.
- **Philanthropic Responsibilities** – As an organization meets its economic, legal and moral responsibilities, it can consider taking on

philanthropic responsibilities. company philanthropy aid ranges in size and scope, and can include everything from donating time to a local charity to building a children's hospital.

#### IV. DISCUSSION:

This era of increased knowledge & information moves us towards the rapid changes it is growing more and more with the passage of time. Therefore, a researcher has to be more conscious about the changes & developments in the area of his study. In this context, the researcher has to go through the available literature like books, novels, reports, previous researches, articles, newspapers and journals for improving the knowledge & understanding. Over the past decades, the concept of corporate social responsibility has become a major area of research. So, the responsibility of the researcher has to make an effort by reviewing the papers of previous researchers, analysts and industrialists who are related with the social responsibility, social accounting, social reporting or any other area related to the corporate social responsibility with green management. In the future of industrial man, Drucker in 1946 has told survival of any enterprise is outcome of the harmony between the company's objectives, objectives of the state system and the people. The literature on green management often makes the point that, because corporates are the main cause of environmental problems, they should therefore play a large part in addressing EM issues. Consequently, there are now a very wide range of eco-initiatives being launched by corporates' managers to address environmental management concerns. This paper outlines the relation between green management and social responsibility. From this review of green management, it is clear that green management practices have significant role in increasing the concern of companies in their social responsibility. According to the researchers Weiwei Wu, Yexin Liu, Tachia Chin, and Wenzhong Zhu. Our quantitative analysis finds that green CSR has a positive relation with innovation performance that is parallel to the Porter Hypothesis (Ambec, S.; Cohen, M.A.; Elgie, S.; Lanoie, P. 2013, ). To take responsibility to implement environmentally friendly activities, companies need to become more innovative than those choosing not to (Aragon-Correa, J.A.; Sharma, S. 2003) (Dibrell, C.; Craig, J.; Hansen, E. 2011). green CSR can trigger innovation through improving products, producing best-practice technologies, and developing new ways of using best-practice technologies (Bansal, P. 2005) Intriguingly, the results also suggest that the positive relationship between green CSR and innovation performance becomes stronger with higher public visibility and firm transparency, which is consistent with the stakeholder theory that the more green CSR is perceived by stakeholders, the more potential benefits are achieved by obtaining necessary stakeholder resources and supports (Flammer, C 2013). According to the researcher Doctor Ben tran (December 2009) he said in their topic green management: the reality of being green in business. that Green management is not the repackaging, the reinventing approaches to business, nor business management. Green management is not a concept describing new business management style. Green management is simply the rethinking, or more accurately, being more mindful of how organizations are operating (or a lack thereof) with respect to the environment. It is not the human factors

within the organization that are being managed but the components of the organization that are being managed by green management. While we believe that strategic 'green' CSR activities can provide advantages to financially and strategically and simultaneously address a number of other important corporate objectives (i.e., bolster public image, meet needs of key stakeholders, be in alignment with community expectations).

#### VI. CONCLUSION

The topic of the green management and social responsibility (CSR) is receiving growing attention and this study highlights the idea that social responsibility and green management are becoming important, not fringe activities in organizations today. It also suggests that for many organizations, environmentally focused CSR appears to be viewed as a value driver with many benefits that are not reflected in traditional financial terms. As Porter and Kramer (2006) stated 'CSR can be much more than a cost, a constraint, or a charitable deed, it can be a source of opportunity, innovation, and competitive advantage' and from previous literature it is proved that the green management has a positive relation with social responsibility.

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