

Implementing Green Behavior Strategies and Corporate Social Responsibility to Achieve Improved Organizational Performance

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Received: December 09, 2023 **Accepted:** February 17, 2024 **Published:** March 07, 2024

Abstract: In today era, escalating ecological challenges and governmental pressure, firms are increasingly adopting green behaviour strategies and Corporate Social Responsibility (CSR) to enhance firm performance. This study is conceptual in nature and examine the proposed the impact of green behavior and CSR on organizational performance, exploring how environmentally responsible practices and socially conscious initiatives contribute to economic, operational, and reputational gains. The proposed findings elucidated that strategic implementation of green behavior and CSR not only reduces environmental impact but also fosters innovation and cost efficiency and improve firm performance. The study provide fruitful implications for managers aiming to align sustainability with corporate objectives and provides policy recommendations to foster responsible business conduct in the pursuit of competitive advantage.

Keywords: CSR, Organizational Performance, Sustainable Competitive edge, Sustainability

1. Introduction

A consequence of growing competition is that businesses now have to offer consumers distinctive qualities, originality, and novelty. One of those facets is environmental management, wherein an organization seeks to improve overall effectiveness and reputation. Thus, environmental sustainability has emerged as a field of study. [1]. In today's world, topics like globalization and sustainability are frequently discussed, pushing companies to give environmental initiatives top priority and provide extra value to their clients. [2–5]. The climate of business today is uncertain and difficult. [6]. The concept of corporate social responsibility (CSR) encourages companies to think about how their actions affect the environment and to try to improve their standing with the public and their stakeholders.

Companies need to adopt eco-friendly practices in order to improve the sustainability of their business operations and have a positive impact on the environment. It is still debatable whether it is feasible for companies to maintain their CSR strategy over time in order to gain a competitive edge. Prior studies have looked into strategic initiatives and employee behaviors related to environmentally conscious business practices, especially in the area of human resources [8-9]. Employee well-being and the promotion of environmentally friendly behavior are included in this, since workers are important stakeholders who motivate environmentally friendly corporate practices. [10]. Consequently, in order to promote environmental sustainability, a great deal of emphasis is placed on green behavior encouragement in the workplace. Empirical research indicates that every person's green actions make a substantial contribution to environmental sustainability. Additionally, empirical research indicates that even a single act of "green behavior" can support environmental sustainability [11, 13]. Additionally, it pushes companies to innovate in green ways [14–16].

Employees that care about the environment enhance the company's reputation [14] since they interact directly with customers while working face-to-face. A company's innovations always elevate environmental values when it offers

a work environment that values environmental concerns [14, 16]. Previous studies have clearly looked at how corporate environmental activities relate to corporate social responsibility (CSR) and firm performance. The literature hasn't yet, however, shown how CSR and environmentally friendly practices together affect a company's long-term performance. This conceptual paper contributes by elucidating the role of green strategies and CSR in gaining competitive edge in firms.

2. Literature Review

2.1 The concept of Corporate Social Responsibility (CSR)

In essence, corporate social responsibility (CSR) is a strategic matter that is integral to a business's overarching plan [17]. It includes going above and beyond what is required by law to provide services to individuals, groups, and the environment [18]. Competitive advantage and sustainability performance are also closely related to it [19]. Furthermore, CSR is defined by Vishwanathan et al. [20] as an activity carried out by a business that can improve its financial situation by enhancing its reputation, encouraging stakeholder reciprocation, reducing risks specific to the business, and stimulating innovation. A company's position can be strengthened by CSR by offering advantages in terms of cost and/or differentiation. One can also use a company's brand value and reputation to support a differentiation strategy.

2.2 Performance of the Firm and Corporate Social Responsibility (CSR)

According to McWilliams and Siegel [22], from a resource-based perspective, a company's brand value and reputation can be improved by combining a CSR strategy with a differentiation strategy. Furthermore, a specialized asset such as a CSR strategy can increase the value of other assets. Companies that engage in corporate social responsibility (CSR) stand to gain a competitive edge over time as a result of their enhanced reputation. Therefore, self-reinforcing procedures that improve performance and reputation are advantageous for investments in a company's reputation [23]. Business performance can be enhanced by corporate social responsibility (CSR) by increasing employee and customer satisfaction.

Better corporate social responsibility (CSR) results in fewer employee issues as customers see their products more favorably [24]. Serves and Tamayo [25] posit that a company's value is positively correlated with its level of customer awareness when it comes to CSR. It might also lead to better ties with government agencies, bankers, and investors, all of which would be advantageous to the company. Access to financing is facilitated for companies with higher CSR ratings [26]. Stakeholder theory further asserts that parties to implicit contracts may try to turn them into explicit contracts, increasing the company's costs [24], and that implicit claims have an impact on firm value.

Proposition 1: CSR can have a positive effect on firm performance

2.3 Green Behaviour

Recent environmental catastrophes have been brought on by human and institutional actions such as excessive tree-cutting, the burning of fossil fuels, and the release of oxides of carbon [27]. Today's population faces significant obstacles as a result of unsustainable living standards, environmental degradation, and overuse of human resources [28]. Being environmentally conscious means minimizing or even improving the environment to the greatest extent possible [29]. Moreover, adopting green practices can lead to gaining a long-term competitive edge. Workers behave in a supportive manner because they believe that companies that implement green initiatives are prestigious [1].

They practice energy-saving habits such as turning off lights when leaving an office, avoiding waste by making corrections electronically instead of printing documents, and making efficient use of resources by using teleconferencing instead of compared to recycling and attending meetings [3, 30]. Population expansion and industrial waste have detrimental effects on both business and society [31].

Proposition 1: Green behaviour can have a positive effect on firm performance

3. Conceptual model:

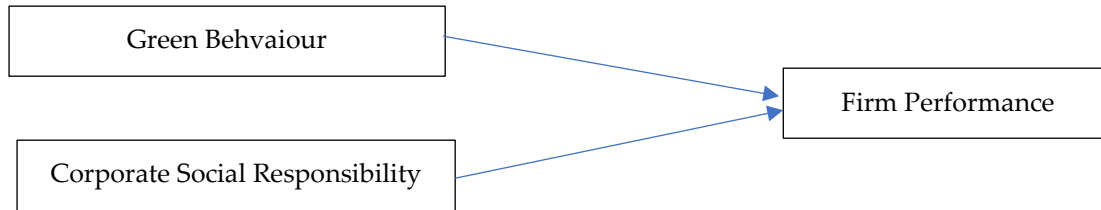


Figure.1 Conceptual Framework

4. Methodology

The variables were determined by conducting a literature review and were taken into account when the research structure was being developed. It provides clarification on combined impacts of CSR and environmentally friendly practices on business performance in the search for long-term competitive advantage. Green behavior was found to be both an independent and mediating variable, CSR was found to be an independent variable, and firm performance was found to be the dependent variable.

5. Discussion

This study explores the interconnections among corporate social responsibility (CSR), environmentally friendly practices, and company performance. As indicated by proposed results, CSR has the potential to boost companies' performance when the advantages outweigh the drawbacks. Investing in CSR can lead to sustained competitive edges by reinforcing a differentiation approach and enhancing a company's brand and reputation. Recent studies suggest that CSR initiatives receive greater recognition in highly competitive environments. These results endorse the idea that integrating CSR activities into a company's overarching strategies can be more rewarding when coupled with exploration and expansion strategies that focus on new products and markets.

The study's conclusions highlight that executives can create value from CSR investments by implementing targeted business plans, like the prospector approach, which facilitates the incorporation of sustainability strategies into a company's primary strategy. Furthermore, the second proposition evaluated the influence of environmentally friendly behavior on company performance, and the outcomes demonstrated a notable impact. These findings align with past research that demonstrates how eco-friendly behavior enhances organizational performance. Employee understanding of environmental sustainability is vital for the company's enduring viability. It is predicted that this raised awareness will foster a greener workplace. An eco-friendly work environment can contribute to a pleasant, comfortable workspace, enhance employee drive and morale, thereby securing a sustainable competitive advantage.

Moreover, the proposed results indicate that CSR not only influences employee environmentally friendly actions positively but also contributes to an enhanced sustainable competitive advantage through the collective impact of a company's efforts and projects for the benefit of society. Furthermore, the study builds upon prior investigations linking CSR to environmentally friendly behavior, expanding the understanding of how CSR influences green behavior.

Lastly, detailed in the following section are practical insights for organizational leaders to encourage employee participation in green initiatives by emphasizing the company's commitment to social responsibility.

6. Conclusion and implications

In this conceptual study, a detailed model was developed to explore the proposed impact of corporate social responsibility and green behavior on firm performance. The study revealed a significant relationship between green behavior and firm performance, showcasing the crucial role of CSR in fostering environmentally friendly practices within companies. By emphasizing the combined impact of CSR and green behavior, companies can enhance their reputation and competitive edge in the market. Adopting green practices not only improves performance but also leads to long-term competitive advantages. Moreover, the research indicates that corporate social responsibility initiatives positive influence employees' engagement in green behavior. Top management's recognition of the importance of CSR in promoting employee participation in green practices is crucial. Effective communication and demonstration of commitment to environmental and social well-being are essential for companies to drive sustainable practices among their workforce.

Data Availability:

Not applicable.

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