Impact of Social and Environmental Responsibilities Predictors towards Business Sustainability in HEIs of Pakistan

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Abstract. Sustainable business development has a basic concept to make a profit while considering their responsibility toward the environment. It has been observed that in the previous years, entrepreneurs only focused on economic performance and ignore their responsibilities toward society. This study aims to explore the social and environmental responsibilities as an independent variable that directly influences business sustainability. It is believed that organizational culture significantly mediates the relation between the variables. Moreover, this research study exercised mixed method strategy to quantify the results through SPSS 20 software. The hypothesis was tested via regression analysis. Data was collected from different universities operating in Pakistan. 148 respondents participated in the survey. A closed-ended questionnaire is distributed among students from different universities in Karachi. 5-point. The Likert Scale has been used for this study. Random sampling and convenience sample technique were used for data collection. The result confirms the significant influence of social and environmental obligations on business sustainability. Social responsibilities and business sustainability have high correlations and this paper suggests, to develop and implement policies and strategies for businesses to eliminate the violation of the social & environmental responsibility of every entrepreneur toward society and improve organizational culture in the organization.

1. Introduction
Previously, many studies have been conducted. However, this study was conducted to know the role of entrepreneurs and their social and environmental responsibilities. Sustainability is not only a focus of interest for academics but also practitioners. The topic is becoming buzz nowadays, although different discussions and theories of sustainability are available. However, entrepreneurs must focus on the way to achieve their goals. Organizations must be bound to implement proactive approaches considering the needs of the future generations. Furthermore, sustainability is divided into three performance goals; social, economic, and environmental. Meng [1] contended that "Sustainability" is the only source that can improve and balance the wellbeing of people. It is much focused and becoming a buzzword in the current era. Concerning Pakistan, social and environmental responsibilities have a tremendous impact on business sustainability. In Pakistan, there is zero or rare awareness regarding the positive effects of CSR in business. Especially there is the absence of comprehensive government’s rules and policies for
companies that can guarantee the positive and healthy effects of business on society. Hence, creating a friendly and competent culture in an organization is very crucial for business sustainability. The results of the research are based on eye-opening facts for entrepreneurs, policymakers, leaders, and scholars. It provides guidelines on how we can contribute to the environment. The purpose of the study is to identify social and environmental responsibilities, which have a direct impact on business sustainability concerning Pakistan to highlight the role of organizational culture and its effects on business sustainability.

The theme of corporate social responsibility (CSR) is gaining popularity among communities, employees, and customers on various levels. While in Malaysia and Indonesia, CSR has a prominent place in business society, and companies are showing interest in reporting their social and environmental edges [5], it depicts that individuals perceive responsibility as risk and the last one, it indicates that people must seek guidance from their mistakes and should improve their behavior. Similarly, [7] stated that good repute is an intangible asset of an organization, and it is the responsibility of executives and board members to manage and maintain an organization’s reputation [7]. Hence, the business should be morally responsible and answerable to the society, environment, and planet in broader aspects. Environmental responsibility is significant to create an attraction for others and improve sustainability. As a recent study [8] emphasized environmentalism, which standardizes climate change and reduces the impacts of environmental, organizations need to encourage green innovation. Through it is always a better opportunity to attract consumers by doing a campaign on environmental issues. According to [9], taking responsibility indicates perceived quality services. Consequently, it changes the customer’s views regarding the organization. CSR focused employee leaves a strong positive impression of the organization on customer relations. While CSR with a community focuses and improves the Company’s product value [9]. It is our primary environmental responsibility, including the Company’s obligation to recycle the waste of their business products. There are a lot of studies done on the impact of CSR, for instance, [10] researched six large commercial Indian banks. The results revealed that those banks did not apply an environment-friendly management system, and they never bother to consider it [10]. Therefore, it is understood that we must practice social and environment-friendly businesses, including recycling the waste of their business products. Values and shared goals within an institution forms the organization culture. Companies are known because of their culture and they use it as their trademark, for instance, Google. Everything done by their employees contributes toward the company especially when they relate it with social responsibility. Thus, companies create their own organizational culture when they work together for a positive influence on society. Moreover, when they have a concern about environmentally friendlier products, they regularly participate in community work and activities. Thus, Cultural transition in an organization has vital impacts on the sustainable business environment across the globe [11]. Therefore, poor management in cultural transition creates negative impressions on business sustainability [12]. Hence ethical leadership absolutely connects to a diversity of auspicious work outcomes through cultural scenarios [13]. [14] produced a detailed report; it is fascinating that the researcher used the term sustainability for further clarification of two significant concepts. First is the limitation of environmental impacts, and second is the poor’s ability to fulfill their future needs. The report emphasized the term "development with no avoidance" for the needs of future generations. The word sustainability has been explained in numerous ways by different means. For instance, a report published called Brundtland Report revealed viability as follows: "Sustainable development is the development that meets the needs of the present without compromising the ability of future generations to meet their own needs"[15]

Companies overcome their environmental, social, and financial risks with the help of this procedure. These impacts are called triple P’s. Profits, People and Planet, yet, this approach is based on an accounting perception and cannot fully cover the aspect of time, which is intrinsic within the sustainability of business [16]. In another way, it can be defined that the sustainability of the company represents resiliency over time. The literature revealed that sustainability plays a significant role in the evaluation of business models internally as well as externally [17]. For business sustainability, it is recommended that firms should religiously follow sustainable business development. Impact of Social
& Environmental Responsibilities on Business Sustainability through Organization Culture. The Literature of organizational theory and practice both highlighted the vital role of corporate sustainability [18]. Specifically, the scholars are curious to find factors that comprise a sustainable business through organizational culture. Secondly, what is the possibility for any firm to demonstrate united sustainability positioned business culture, and third, can an organization develop more sustainability through culture change inside the organization. Moreover, current literature indicates that organizational culture is a significant factor behind the successful sustainable business [19]. This research paper offers a hypothesized framework to demonstrate the impact of social and environmental responsibilities on business sustainability undertaken from higher education institutions of Pakistan.

Social responsibility and environmental responsibility is very essential towards our organization culture therefore the author has created model to know the impact between independent and dependent variables. The author has identified independent variables social responsibility and environmental responsibility effects on organizational culture and business sustainability. The following hypothesis has been developed on the basis of the above discussed studies and reviews of previous literature. Social responsibility, Environment responsibility and Organizational cultures has a significant impact on business Sustainability in Pakistan.

2. Method
The research is empirical by nature. Mix method has been exercised for data collection. Quantitative and qualitative strategies have been utilized to achieve a significant result. The questionnaire was divided into a section; one is demographic, and the second is a survey-based questionnaire. Data is collected from the students of different universities in Karachi because students are key role and they are playing very active role and many universities and schools have established the CAPSTONE Projects so the students have been taking benefit to play their role activity for the societal changes in this regard the author has selected students from different universities and the population size was 900 from five universities and Social Science Department was selected for this study and around 148 students participated in the survey. Likert Scale was used upon the closed-ended questionnaire. Primary and secondary data collection procedure has been conducted.

2.1. Research Design
The target population of this research are different universities based in Karachi. The researcher collected the data from those students who study various programs. The following universities took part in the study: Habib University IoBM, SZABIST, KASBIT, and Bahria University Karachi. Students are the foundation, and their mainstream power is to focus on future endeavors. The students are from social science department and they are enthused by their mentors. Every year, many students graduate. Still, they don’t have a proper source of income, or some students pro-actively have been participating in CSR or social welfare projects in their universities. SPSS 20 version has been used to achieve significant results. Overall there are sixteen questions throughout closed-ended questionnaire and Likert Scale have been used for this study. Random sampling and convenience sample are part of the research.

3. Results and discussion
In the previous study conducted by [18] (Khan & Advani, 2016), the reliability was 0.81 since it was correlated with the current study. That is why the author wants to elaborate in detail regarding the role of social entrepreneurs in Pakistan.
Cronbach’s Alpha is 75%. It indicates a high level of consistency for our Likert scale. The researcher struggled to identify the gaps since result is showing that the level of consistency was .75 the researcher has been observing the values and through his analytic approach. Through his students “Future of Social Entrepreneurship: Empirical Evidence from the Universities of Pakistan conducted by (Khan & Advani, 2016)” further study has been conducted to know the impact of social and environmental results.

Table 2 Item Statistics

|                          | Mean   | Std. Deviation | N  |
|--------------------------|--------|----------------|----|
| Social Responsibility    | 4.1926 | .64688         | 148|
| Environmental Responsibility | 4.2568 | .55324         | 148|
| Organization Culture     | 4.0912 | .54877         | 148|
| Business Sustainability  | 4.1672 | .59718         | 148|

Independent variables are social responsibility, environmental responsibility, organizational culture, and dependent variable is business sustainability. The highest number of mean is environmental responsibility which is 4.25 and SD is .64, and the lowest number of mean is organizational culture which is 4.0 and SD is .54. When we discuss about previous study conducted by [18] (Khan & Advani, 2016), they have identified that social entrepreneurs mean was 4.2 which is similar to this study. However other factors are new for this study.

Table 3 Model Summary

| Model | R     | R Square | Adjusted R Square | Std. An error of the Estimate |
|-------|-------|----------|-------------------|-------------------------------|
| 1     | .572* | .327     | .313              | .49505                        |

a. Predictors: (Constant), Organization Culture, Social Responsibility, Environmental Responsibility

b. The dependent variable of business sustainability explained 32% by independent variables social responsibility, organizational culture, and environmental responsibility (R Square: 32%). It is statistically analyzed which shows the coefficient of determination as well. Compared to previous study [18] (Khan & Advani, 2016), the model fit summary and coefficient of determination was 65% since the author has added new factors in this study so there is a difference between the previous study and this study.

Table 4 Coefficients

| Model                  | Unstandardized Coefficients | Standardized Coefficients | t     | Sig.   |
|------------------------|-----------------------------|---------------------------|-------|--------|
| (Constant)             | 1.388                       | .373                      | 3.719 | .000   |
| Social Responsibility  | .402                        | .074                      | .435  | 5.436  | .000  |
| Environmental Responsibility | .162                  | .096                      | .150  | 1.679  | .095  |
| Organization Culture   | .100                        | .088                      | .092  | 1.138  | .257  |
3.1 Hypothesis Testing
The hypothesis on the social responsibility, environmental responsibility and organizational culture on business sustainability was tested through stepwise regression analysis. Summarized results are presented in the table above. Stepwise Regression was used to test the hypothesis. The larger betas are related to higher values of T and lower values of P.

**Hypothesis 1:**
Interpretation: The results of regression indicated that independent variable social responsibility (M = 4.19, SD = .64) explained 43% of the variance towards business sustainability (Beta value = .43, T value 5.43, P <0.05). It has been found that social responsibility (P value = .000) significantly predicted business sustainability.

**Hypothesis 2:**
Hypothesis 2 is postulated that there is an impact of environmental responsibility on business sustainability.
Interpretation: The results of regression indicated that independent variable social responsibility (M =4.25, SD = .55) explained of the variance towards business sustainability (Beta value = .150, T value = 1.67, P <0.05). It has been found that environmental responsibility (P value = .095) significantly predicted business sustainability.

**Hypothesis 3:**
Hypothesis 3 is postulated that there is an impact of organizational culture on business sustainability.
Interpretation: The results of regression indicated that independent variable organizational culture (M =4.09, SD = .54) explained of the variance towards business sustainability (Beta value = .092, T value = 1.13, P > 0.05). It has been found that environmental responsibility (P value = .257) insignificantly predicted business sustainability.

|                  | Social Responsibilities | Environmental Responsibilities | Organization Culture | Business Sustainability |
|------------------|-------------------------|-------------------------------|----------------------|-------------------------|
| Social Responsibilities | 1.000                  |                               |                      |                         |
| Environmental Responsibility | .517                   | 1.000                         |                      |                         |
| Organization Culture | .315                    | .525                          | 1.000                |                         |
| Business Sustainability | .541                    | .423                          | .307                 | 1.000                   |

Social responsibilities and business sustainability have highly correlated with each other which is 54%, and the least correlation between two variables is between organizational culture and business sustainability which is 30%. Corporate philanthropy, stewardship and cause-related marketing could be re-aligned with the businesses’ profit motives [27]-the results show that social and environmental responsibilities highly impact business sustainability while organizational culture has the least impact due to some reasons. Corporate social responsibilities encourages business and ultimately the growth of the organization is enhanced.

Many universities have been working in different projects (e.g, CAPTSONE, Experiential learning initiatives). The major ideas of these projects are to develop a feasible solution for substantial business problems, provide solutions and alternatives of the problems and facilitate the students in participating in social and environmental-based projects to achieve result-oriented work. Several universities have been providing different topics to their students; consequently, companies that are posing risks for the environment and are not disposing of harmful product waste should be heavily penalized.

4. Conclusion
This research presents a framework for policymakers, managers, entrepreneurs and government to draw effective policies to improve organizational culture within the organization. Moreover, this study offers
fruitful insight for upcoming researchers, scholars, and students to explore further these factors in future research. The results enable the entrepreneurs to understand the current business situation and condition before the start-up of any business. The main objective of the study is to present empirical and practical solutions for policymakers and managers to develop models and policies for businesses globally and locally to promote and implement environmentally friendly organizational culture. There are a few limitations for this research study as the study is limited to only one major city of Pakistan that is Karachi. Furthermore, the sample of data collected is small due to financial restraints. For future studies, different culture can be considered and more advanced techniques should be utilized. Case studies is another effective way to explore organizational culture as mediator. Future research should conduct the study in other economic and cultural settings. Future research must consider more industries which are major challenge for the environment. Researchers should apply this model to other industries as well.

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