

CORPORATE SOCIAL RESPONSIBILITY AND CONSUMERS' WASTE SORTING HABITS

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Abstract: The transition to circular economy shifts attention to re-use, repair, restoration and recycling of materials and products. What was previously considered to be waste can be turned into resources. The transition to a circular economy where the value of products, materials and resources is maintained for as long as possible and where as little waste is generated as possible is a significant contribution to the common effort in the European Union to create a sustainable low-carbon economy in which resources are used efficiently. Such an approach allows to transform the EU economy and generate new advantages for it (European Commission, 2015). Our individual action and provided support may help peers notice an opportunity and a solution for the future. The aims of the study are: To investigate the evaluation of the significance of the consumers' corporate social responsibility and waste-sorting habits and to provide recommendations for improved access to the separate waste collection service. The research questions for achieving the objectives of the study were the following: How do consumers evaluate corporate social responsibility of companies in general? What are the waste-sorting habits of consumers? Are there statistically significant differences in the waste-sorting habits between various consumer generations? The authors prepared a unique consumer survey in which economically active inhabitants of the capital of Latvia, aged 15 to 71 years, participated. The results of our survey showed that the respondents rated the corporate social responsibility of companies as essential and emphasized that it was important for the large-size enterprises to operate ethically. The waste-sorting process itself creates disbelief among the respondents and also suspicion that all sorted waste is lumped together and removed to disposal sites.

UDC Classification: 159.9; **DOI:** <http://dx.doi.org/10.12955/cbup.v5.901>

Keywords: CSR, waste sorting, habits, generations, circular economy

Introduction

Up until now waste-sorting and citizen's habits of waste-sorting have been a little-studied topic. Single individual's view on the importance of corporate social responsibility is unusual subject for research in comparison with the popular corporate-level approach. Just a small part of Latvians is sorting their waste on a daily basis. Latvia faces a huge challenge to be able to meet requirements placed by the European Union of implementing principles of circular economy. Latvians need to change their habits of purchasing commodities and waste-sorting. The research of corporate social responsibility and habits of waste-sorting is valuable for both – waste management sector and to any socially responsible company. It finds significant correlations between habits of various generations and evaluation of the importance of corporate social responsibility within the economically active population. The research will primarily be used by "Latvijas Zaļais Punkts" to develop various public awareness campaigns.

Literature review

S. Rahmann (Rahmann, 2011) describes corporate social responsibility (henceforth referred to as CSR) as a duty in front of the society, inclusion of the parties involved, improvement of the quality of life, economic development, ethical business practices, compliance with the law, voluntarism, human rights, environment protection, transparency and responsibility. Nowadays, social responsibility, responsibility for the environment and economic responsibility are the fundament of CSR (Crane, Matten & Spence, 2014). A new way of thinking in the management of the company, creation of shared values and social responsibility in it is being integrated into the overall strategy of a company (Rahmann, 2011; Wang, Tong, Takeuchi & George, 2016).

A habit is one or multiple activities performed regularly, automatically and frequently without our intentional involvement (Duhigg, 2012). Making a decision, we start repeating the chosen activity daily until our behavior and action becomes habitual. Society members feel the responsibility for the direct impacts of their activities on them, others and the environment differently (Barrett, 2004). The age of the individuals influences their lifestyle and values, habits and consumption (Olson & Brescher, 2011).

For the Baby Boomers (born between 1945 and 1962), it is essential to maintain the traditional cultural values. Having concentrated the power (the experience, money and power accumulated through

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hardship) in their hands, representatives of this generation are not able to give away their legitimately leading positions and values to the young that easily (Mullins, 2005). It is a generation which had experienced considerable changes, is very hard-working, careful and forbearing. For the Generation X (born between 1962 and 1980) is the motivation for work self-esteem, recognition and status. Since they are slightly cynical towards work, they search for opportunities to develop themselves and their skills and knowledge. Independent (no need for feedback), adaptive, efficient and profit-oriented people (Parker, 2007). The Y Generation (born between 1980 and 2000) is the socially fully integrated generation which is considerably different from the generation of their parents and grandparents. This generation is particularly considered to be the generation of outstanding managers. Very confident about their professional advantages which include knowledge of several languages, command of technologies, and a social capital which is well built on the social networks (Tolbize, 2008). Then comes the Z Generation whose description and tendencies have not been scientifically studied much so far.

Methods

The strategy of a quantitative study was chosen for the conduct of the study. Two surveys were used for the acquisition of the primary data: a survey regarding the rating of the significance of corporate social responsibility, supplemented with the perspectives of environmental sustainability, and a survey regarding the waste sorting habits of consumers in the context of awareness and motivation to sort waste, which materializes in concrete action. The research questions were the following: How do consumers evaluate corporate social responsibility of companies in general? What are the waste-sorting habits of consumers? Are there statistically significant differences in the waste-sorting habits between various consumer generations? Are there statistically significant correlations between the ratings of corporate social responsibility and waste-sorting habits? The overall sample for the study formed economically active inhabitants of the capital of Latvia, aged 15 to 71 years. By making calculations to verify the sufficiency of the sample, it has been determined that the study sample N=171 has been sufficient. Assuming a possible error of 6.3 %, the credibility of the results is 90%. The age structure of the respondents by generations was as follows: 51 respondents were between 15 and 36 years of age, 120 respondents were between 37 and 71 years of age, with higher education and higher vocational education.

Results

Along with the economic aspects, the social and ecological matters have become more topical. A vast majority (91%) of the respondents responded affirmatively regarding their awareness of the necessity to preserve the natural resources for the future generations. As the authors interpret it, this statement does not answer the question regarding the readiness of the respondents to act actively to conserve the natural resources. However, the authors theoretically assume that a marketing message which is based on future values might be efficient and powerful. One of the aspects of a sustainable environment is awareness of the limited quantities of the resources and the loads on the ecological systems caused by human activities. The level of responsibility of the respondents and the ratings provided by them for the importance of sustainability are evaluated based on the statement regarding the duty of the respondents toward the environment. Most (89%) of the respondents agree affirmatively that care for the environment around them is one of their own obligations. In the statement regarding the involvement of the society to educational events, this corporate social dimension is noted as significant by a majority (77%) of the interviewees. A small part (22%) of the respondents partly agree with the statement that it is a significant step towards a better future, which may be defined as an approving evaluation for the education of the society as such. Saving of various resources is a matter of corporate social responsibility and sustainability of a contemporary organization, resources may be saved by economizing them, not using them, or by replacing them with other, more environmentally-friendly resources, and a majority (77%) of the respondents claim that they pay attention to such action.

The Latvian waste management companies do their business in conditions of fierce competition, create new vacancies, invest money into the infrastructure, the latest technologies and science. Only one third (31%) of the respondents agree with the statement that waste management companies provide their contribution to the general economy. Almost one-half (47%) of the interviewees partly accept this statement; this means that they have a certain degree of doubt regarding this, and this means that there is little information and understanding relating to the significance of the service itself in the context of

the circular economy. According to a statement in the survey regarding ethical business practices, almost one third (26%) of the respondents agree that waste management companies have ethical business practices, yet a larger part (46%) of the interviewees agree with this statement only partly, and this suggests that the respondents have some level of doubts regarding the ethicalness of the business practices of the enterprises in this sector. When explaining the difference between the ratings provided by the generations for the dimensions of CSR, the authors used the Mann-Whitney U criterion and found out that there are statistically significant differences on the scale “Motivation” ($r = .028$, $\text{sig} < 0.01$) between the respondents in the generation groups X & Y and the respondents in the generation groups Baby Boomers & X, and this suggests that older people have more motivation to sort waste (Table 1).

Sample groups	Awareness	Motivation	Sustainability	CSR dimension society
Mann-Whitney U	2689.000	2413.000	2925.000	2755.500
Asymp. Sig. (2-tailed)	.207	.028	.642	.296
Motivation- Y & Z generation	10.333	11.118	9.471	7.039
Motivation- Baby Boomer & X generation	9.667	12.567	9.408	7.517

Source: Authors

To determine the scales with the most significant impacts on the closeness and significance of the correlations between the CSR dimension “Society” and the CSR dimension “Business” the Pearson Correlation Coefficient was calculated for the Y&Z generation group of respondents. The Y&Z generation groups of respondents have several statistically significant correlations of the scales CSR Society and CSR Business with the scales Awareness, Emotions, Action, Habits and Sustainability (see Table 2). There is a statistically significant correlation between the CSR Business dimensions with Emotions ($r = .037$, $\text{sig} < 0.01$). Even though the correlation is weak, the evaluation provided by respondents for the significance with regard to enterprises is sufficiently emotional. This means that every time there is positive or negative information regarding the corporate social responsibility of an enterprise in the media space, the consumer evaluates it sufficiently emotionally and associates with opting for a service or product offered by this company. There are statistically significant, but weak correlations between the CSR Business dimensions and Habits ($r = .31$, $\text{sig} < 0.01$), and this means that corporate social responsibility measures have significant impacts on consumer habits, the stronger the consumer habits, the higher the rating for the significance of CSR. Weak, but statistically significant correlations can be seen between the CSR Business dimensions and Action ($r = .011$, $\text{sig} < 0.01$) and Sustainability ($r = .001$, $\text{sig} < 0.01$), which means that the respondents of the Younger generation do not yet find Sustainability as significant as the Older generation. Statistically significant, very weak correlations can be seen between the CSR dimensions Society and Sustainability ($r = .005$, $\text{sig} < 0.01$), and this means that there is a possibility that particularly the consumers with the higher ratings for the significance of sustainability have higher ratings for the CSR Society dimensions (Table 2).

Scales		Awareness	Emotions	Action	Habits	Sustainability
CSR dimension society	Pearson Correlation	.300*	.036	.036	.194	.384**
	Sig. (2-tailed)	.032	.800	.800	.173	.005
CSR dimension business	Pearson Correlation	.135	.293*	.355*	.303*	.559**
	Sig. (2-tailed)	.345	.037	.011	.031	.000
	N	51	51	51	51	51

Source: Authors

To determine the closeness and significance of the correlations between the CSR dimensions Society and the CSR dimensions Business, the Spearman's Correlation Coefficient was calculated. The obtained results show that the Y&Z generation group of respondents has a positive, statistically significant correlation between the scales CSR Society ($r = .033$, $\text{sig} < 0.01$) and CSR Business ($r = .001$, $\text{sig} < 0.01$) and the scale Motivation, and this means that the higher the significance rating provided by the respondent for the CSR dimensions, the higher their motivation to sort waste. Also, highly motivated respondents have higher significance ratings for the CSR dimensions. The CSR Business dimensions have a stronger correlation with Motivation to sort waste, rather than with the CSR Society dimensions.

To determine the closeness and significance of the correlations of the CSR dimensions Society, the Pearson's Correlation Coefficient was calculated for the Baby Boomers & X generation group of respondents (see Table 3). There is a statistically significant correlation between the CSR dimension Society and the scales: Emotions ($r = .023$, $\text{sig} < 0.01$), Motivation ($r = .001$, $\text{sig} < 0.01$), Habits ($r = .001$, $\text{sig} < 0.01$) and Sustainability ($r = .001$, $\text{sig} < 0.01$). The authors identified that in the Baby Boomers & X generation group, the corporate social responsibility dimension focused on the society increases the consumer's significance ratings for sustainability, similar to what appears in the Y&Z generation group of respondents.

Table 3: Calculation of Pearson's Correlation Coefficient for the Baby Boomers & X generation group of respondents

		Awareness	Emotions	Motivation	Action	Habits	Sustainability
CSR Dimension society	Pearson's Correlation Coefficient	.141	.207*	.305**	.171	.382**	.389**
	Sig. (2-tailed)	.125	.023	.001	.062	.000	.000
	N	120	120	120	120	120	120

Source: Authors

To determine the closeness and significance of the correlations of the CSR dimensions Society, the Pearson's Correlation Coefficient was calculated for the Baby Boomers & X generation group of respondents (see Table 4). The results obtained for the Baby Boomers & X generation group show a statistically significant correlation between the scale CSR Society and the scales Emotions ($r = .001$, $\text{sig} < 0.01$), Action ($r = .001$, $\text{sig} < 0.01$) and Habits ($r = .001$, $\text{sig} < 0.01$). This means that the corporate social responsibility dimensions focused on the society have statistically significant impacts on the emotions of consumers regarding sorting of waste, facilitate action and strengthen waste-sorting habits.

Table 4: Calculation of Pearson's Correlation Coefficient for the Baby Boomers&X generation group of respondents

Scale		Emotions	Action	Habits
CSR Society	Pearson's Correlation	.526**	.497**	.535**
	Sig. (2-tailed)	.000	.000	.000
	N	120	120	120

Source: Authors

By calculating the T criterion for both age-groups on the scales Emotions, Action, Habits, CSR dimension Business, statistically significant differences can be seen on the scale CSR Business. The T criterion for the Y&Z generation is 19.039, whereas for the Baby Boomers & X generation it is 22.117. This shows that the significance ratings for corporate social responsibility are higher particularly among the respondents of the Baby Boomers generation. It is possible that individuals of this generation have more time to go deep into the flow of information and pass the information on to

their children and grandchildren. The Mann-Whitney U criterion for both age-groups on the scales Awareness, Motivation, Sustainability, CSR dimension Society shows statistically significant differences in the scale Motivation. The U criterion coefficient for the Y&Z generation is 11.118, whereas for the Baby Boomers & X generation it is 12.567. The authors consider that the Baby Boomers generation has more motivation than the Y&Z generation, which might be associated with the habits of the generations as such as well as the habitual tendency of the Y&Z generation to do what would be rewarded emotionally, financially, or socially (Duhigg, 2012).

With regard to the corporate social responsibility dimensions focused on business, statistically significant correlations can be seen on the scales Emotions ($r = .037$, $\text{sig} < 0.01$), Action ($r = .011$, $\text{sig} < 0.01$), Habits ($r = .031$, $\text{sig} < 0.01$) and Sustainability ($r = .001$, $\text{sig} < 0.01$). These data show that the corporate social responsibility measures focused on the alignment of the business environment have more significant impacts on the respondents' significance ratings and have positive impacts in the scales which imply concrete action and waste-sorting habits themselves.

Conclusions and Recommendations

Most of the interviewees note that educating the society is a significant step towards a better future. The interviewees also find it necessary that companies in Latvia pay attention to the saving of resources. The respondents pay special attention to the enterprises that save resources. The corporate social responsibility of the large-size companies is rated as significant for the society in general, in assuring employment and new vacancies. Only one-third of the respondents claim that sorting of waste is a habit in their daily routine in the household, the family and the place of work and that they sort waste by using the publicly available containers for the disposal of sorted waste and separating glass containers from paper packaging. The Baby Boomers generation has more motivation to sort waste than the Y&Z generation. The significance ratings of the Baby Boomers generation for corporate social responsibility are higher than those of the Y&Z generation of consumers. There are statistically significant correlations between the waste-sorting habits of consumers and the significance ratings for corporate social responsibility. The results of the study show that consumers of the Y&Z generation have statistically significant correlations on the dimensions of corporate social responsibility which are focused on the society, awareness and the significance rating for sustainability, whereas specifically the business dimensions of corporate social responsibility appear to be stimuli for action and the formation of waste-sorting habits in the consumers of the Y&Z generation. The results of the study obtained for the Y&Z group of consumers show a positive, statistically significant correlation between the significance ratings for corporate social responsibility and Motivation, and this suggests that the society- and business-focused dimensions of the corporate social responsibility of companies have significant impacts on the motivation of consumers to sort waste. In the Baby Boomers group, there are statistically significant correlations between the society-focused dimensions of corporate social responsibility and the consumer's significance ratings for sustainability, similar to what can be seen in the Y&Z group. Differently, from the Y&Z group of consumers, the CSR dimensions Society have statistically significant impacts on the motivation of individuals in the Baby Boomers group of consumers to sort waste and on their waste-sorting habits.

A particular offer should be made. The cooperation with retailer chains and offices should be strengthened to offer clients contemporary and convenient sorting of waste in their offices, including not only paper and waste paper, but also PET bottles, tetra-packs, tins. Waste management companies should develop an offer and a model for cooperation with the organizers of the large-scale sports events regarding PET bottle flattening facilities. Communication specialists should review the corporate communication strategies. Until now, communication has been informative and responsive. The strategy of communication (particularly in social networks) should be focused on the communication of the CSR values, such as purchase of a new, environmentally friendly system or discovery of a new unauthorized construction waste disposal site. Marketing specialists should do research and create business plans for the establishment of a new media platform to build common value on the national scale, including measuring the ecological footprint of the consumer, summarization of the habits, and recommendations for the reduction of the ecological footprint.

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