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Category: Gendering work

Title:

The business manager: an environmental hero (ine) or an opponent? Different views on how a business becomes «green».

Introduction

The objective with this presentation is to introduce and to discuss different views on how businesses expect to adapt to increasing demands from the environment to become environmental friendly. And I will give a brief presentation on some of the results from my own research which I did in the foundry industry in Agra in India. The objective with the research which I did was to investigate the strategies business managers pursued when they were exposed to pressure to adapt to new environmental policies.

Environmental issues were put on the international agenda in Stockholm in 1972, when the Conference on Human Environment was organised by the United Nations. Different scenarios have been established with the objective to predict the future. Warnings have been addressed advocating that if we continue with «business as usual», which means that nothing is done to attain a balance between consumption and resources available, we can expect an ecological collapse perhaps already in the next century.

To gain some insights into how a business becomes green some questions have to be addressed. One question which can be addressed is: Is it so that a business manager is concerned about the environment and aims at adapting the practices of the business so that an expected environmental catastrophe can be avoided?

Different Views

Broadly speaking there are three different views on how a business and society becomes «green». 1. The first one is the *stage model*. According to this model it is expected that the business manager progresses through different stages and becomes increasingly more environmental responsible.

The second view is defined as a *moral and philosophical* approach. According to this view dramatic changes of the whole society is demanded to ensure an ecological sustainable development. One may define it as a «paradigm shift» where new concepts and patterns of acting takes form and are incorporated into the business organisations. The society is seen transformed from being an environmental «sinner» to becoming environmental friendly.

A number of scholars have criticised these two approaches. They ask if you can expect the business manager to volunteer in this matter, if he or she really takes the moral burden to ensure environmental business organisations.

The third view which has crystallised is *regulation of a business activities*. It is argued that a business organisation will not adapt its activities to environmental principles if it is not

regulated by law. However, there are different views on how effective environmental regulation is. A number of examples illustrate the fact that business managers through lobbying aim to influence policy processes with the objective to hinder, or to have the implementation of environmental law delayed. A business manager can therefore be viewed as an opponent of environmental practice, the manager may adapt but he or she is also known to oppose.

The stage model

The stage model approach is based on a number of assumptions. A stage model developed by Roome (1992) describes some of the stages which a business is seen to progress along. The result is that the business is expected to become increasingly greener.

Figure 1. Environmental Management and Organisational Change: The Stage Model

	Excellence (4)	**Compliance plus (3)**	**Compliance (2)**	**Non-compliance (1)**
Clean technology techniques; regulated	*	*	*	
Organisational structure and systems; management led	*	*		
Organisational and individual values/ethics; management led	*			

Source: Roome, 1992:18-19, modified

The model describes different stages, and the consequences that each of the stages has for the business organisation are as follow:

1. Non-compliance is a strategy which is caused by a number of reasons such as ignorance or the costs are perceived to be too high if regulations are complied with. It should be noted that non-compliance implies that the control organ does not function as it should.

2. Compliance is a strategy which implies that a business adapts to environmental regulation. The management *reacts* by adopting pollution control systems.

3. Compliance plus is a strategy stimulated by the management which accepts that the business organisation is responsible to change its structure and management system, and an environmental ethic is incorporated into the organisation. Measurements are implemented throughout the whole organisation to ensure environmental friendly practices. The management can be considered as a hero which does not only adapt to environmental regulation, but which also on its own initiative implements a number of measurements to ensure that the environment is saved.

4. Excellence is also a management-led strategy. For the strategy of excellence, an environmental ethic is not only incorporated into the business organisations structures and

systems, but is also acknowledged by the employees. The result is that the employees are environmentalists as well as commercial actors.

The stage model is characterised by a voluntary approach in the process of becoming environmental friendly. It is claimed that it is not sufficient to adapt to environmental regulation: to ensure sustainable development implies a transformation of the whole organisation.

The moral and philosophical view

The strategy excellence presented in the stage model has some parallels with the moral and philosophical approach. Both of them suggest that a «paradigm shift» is required in the organisation, where old concepts and thoughts/views are replaced by new ones on all levels.

Such a paradigm shift may emerge if concepts which take into account the fact that the ecological resources which the business organisation depends on to attain its goals have some limits, merges with the strategic management school. The result is expected to be that strategies that lead to sustainable development are established, and are incorporated into the whole organisation. In other words, a new overall understanding of how organisations act is established and replaces the old one.

Regulation of business activities

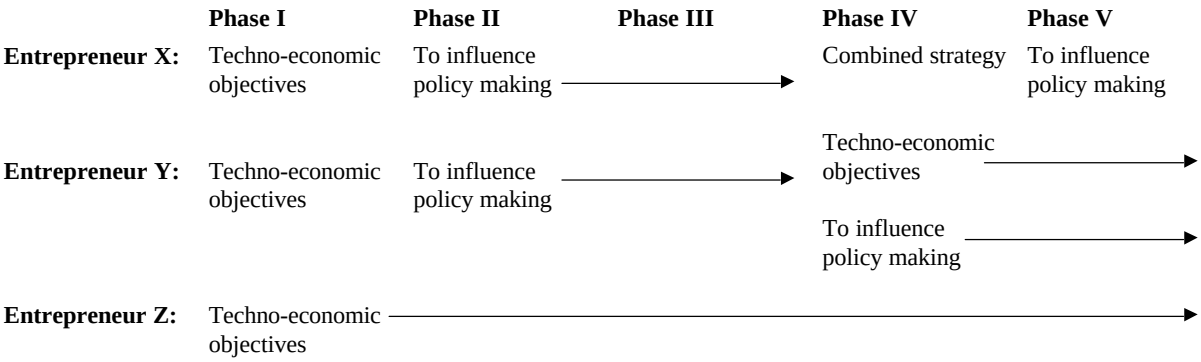
Scholars advocating *regulation of a business organisations activities* claim that a «paradigm shift» will not take place on a voluntary basis, but through regulation only. Regulation is considered as a critical instrument to ensure that the business managers invest in pollution control systems. Some will argue that investments in pollution control systems is a pure cost and will normally not increase sales. Others will argue that regulation of pollution will improve the competitiveness of the firm because it is considered as one of a number of pressures which it is exposed to and to which it has to find a solution. Adaptation to environmental regulation may reduce costs and/or increase the products value.

Strategies implemented by three entrepreneurs in the foundry industry in Agra

Some of those views that exist within the literature concerning how a business adapts to environmental regulation have been presented above.

I will now present some of those findings which I did through a research study of three small scale businesses in the foundry industry in Agra in India. The objective was to investigate the strategies pursued by the three as a response to regulation and environmental policy making in the period 1993 to 1998. The response is illustrated by three categories of strategies: 1. Techno-economic objectives; 2. To influence policy making; and 3. Combined strategy. The period studied is divided into five stages.

Figure 2. Strategies presented according to three categories



In stage I the businesses were asked to implement measurements that implied relatively small changes; pollution control technology was installed to reduce the pollution level. However, this investment was seen as a pure cost but also other technological adjustments were implemented which in fact gave economic benefits.

In stage II the business organisations were exposed to political pressure demanding dramatic changes of the business practices because the policy makers saw it as its responsibility to save the Taj Mahal from pollution. The Taj Mahal is a 350 years old historical monument. The three businesses were confronted with three alternatives: 1. To adopt new technology if they wanted to continue their operation in Agra; 2. Relocate the activities; or 3. To close down. In fact a large number of small scale industries located near to this monument have been forced to close down with the result that thousands of people have become unemployed.

From stage II and onwards the strategies differed between the three. Entrepreneur X and Y aimed to influence the policy making process, to hinder that a new environmental policy was approved. *Combined strategy* has some interesting characteristics because it contains an interesting combination of activities. Entrepreneur X claimed that he would adapt to the new demands and adapted by keeping the formalities in tact.

However, he argued that in practical terms he was not going to adapt and that his business would not survive the new environmental policies. In the meantime he did relocate his activities to a different area, a move which I was informed about accidentally. In fact, this move was tried concealed. Parallel, he prepared activities which aimed to have the new policies reviewed or nullified. Lobbying within the administrative and political system was a critical tool.

Finally, I want to shortly comment on the strategy pursued by entrepreneur Z. In stage II a strategic decision was made which implied that new technology should be installed. He acknowledged that the situation had changed, and the technology which he used did not match with new technological standards. In fact he considered that replacement of new technology offered new business opportunities. Findings from the research study suggest that a business leader may not only act as a commercial actor but may also act as a political actor where the objective is to influence the framework in which it operates.

Final remarks

To finalise this presentation, I will very briefly comment upon the three views that have been presented. The *stage model* presents one view on how a business is seen to become green. This model is by a number of scholars used as a departure point to evaluate how green a business is, but it is shown that this is a difficult task. Organisational change is according to this model considered as one-dimensional, while in practical life such processes are normally multifold. The stage model is in fact developed with the objective to motivate management to become environmental friendly; to provide a guidance.

The *moral and philosophical* view advocates that a «paradigm shift» is required to ensure adaptation to environmental standards; new behaviours and patterns of thinking is seen to incorporate the business organisation. This approach does not seem to discuss whether the consequences of a «paradigm shift» comply with what was actually wanted. The results from a research study which was conducted among businesses in England suggest that a firm may have incorporated procedures that are considered as environmental friendly with the objective to demonstrate to the public that the business is green.

The study showed that in some of the firms these procedures did not have any actual effect on the business activities. Environmental objectives were given little, or hardly any attention, in the firms overall goals. The customers and profits were given the highest priorities.

The third approach presented; *regulation of a business activities*, argue that a business will become green through regulation. However, it is pointed out that regulation may not lead to the best results. It is in fact observed that environmental regulation may hinder an effective and creative progression towards a more green business practice. Traditionally, business organisations have installed pollution control systems that do not reduce the total quantity of pollution, but just move it to some other place.

The objective with the research study which I did was to get some insight into how business managers respond to pressure demanding an environmental friendly practice. One particular finding from this research study was that when the pressure demands dramatic changes like new technology, different responses can be expected. In other words, a new policy may not necessarily mean that it is complied with. If a new environmental policy does not comply with the interests of those concerned, opposing activities can be pursued by business managers and employees aiming at nullifying the new policy.