



Sustainability Management- Need to Focus

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Abstract:

Sustainability requires thoughtful, purposeful human intervention in the development process. The results of the supposed man-made climate change have led to a concern for the environment that is affecting how businesses operate. Businesses are facing greater pressure from stakeholders and government regulations to take more responsibility and care for the environment. Thus companies are facing a wide spectrum of new problems, but also new opportunities. A business that makes the decision to be environmentally-conscious will often promotes goodwill among potential customers, while making the world a better place for future generations. Many businesses hesitate to adopt green practices because they fear it will hurt their bottom line and negatively impact profits. Such companies make deceptive use of green product or green marketing in order to promote a misleading perception that a company's policies or products (such as goods or services) are environmentally friendly.

Keywords: *Climate Change, Government regulations, Green practices sustainability, Stakeholders*

1. Introduction

The world today is facing many problems...Overpopulation, Pollution, Global Warming, War, Stupidity, Obesity/Disease, Habitat Destruction, Species Extinction and the list seems to be endless. The corporate world cannot be isolated from these problems. Rapid economic growth and industrialization have led to the exploitation of natural resources which are limited. The growth of all countries of the world in future is likely to be endangered, if these limited natural resources are completely exhausted. This means that the development should be sustainable and the development in the present should not compromise on the needs of the future generations. Sustainability means living a life of dignity in harmony with nature, creating an economic system that provides for quality of life while renewing the environment and its resources. Sustainability does not (and should not) have a rigid definition. If an environment is not sustained then the ecosystem will overtime fall apart. Overusing one part of an ecosystem can cause the ecosystem to eventually fail. When you overuse one part of an ecosystem then it has dramatic results on the whole ecosystem.

Sustainable management takes the concepts from sustainability and synthesizes them with the concepts of management. Sustainability has three branches: the environment, the needs of present and future generations, and the economy. Using these branches, it creates the ability to keep a system running indefinitely without depleting resources, maintaining economic viability, and also nourishing the needs of the present and future generations. From this sustainable management can be defined as the application of sustainable practices in the categories of businesses, agriculture, society, environment, and personal life by managing them in a way that will benefit current generations and future generations. Sustainable management can be applied

to all aspects of our lives. For example, the practices of a business should be sustainable if they wish to stay in businesses, because if the business is unsustainable, then by the definition of sustainability they will cease to be able to be in competition. Communities are in a need of sustainable management, because if the community is to prosper, then the management must be sustainable. Forest and natural resources need to have sustainable management if they are to be able to be continually used by our generation and future generations. Our personal lives also need to be managed sustainably. This can be by making decisions that will help sustain our immediate surroundings and environment, or it can be by managing our emotional and physical well-being.

2. Objectives

The present paper aims to study the management's role in promoting sustainable practices, benefits such practices accrue, and to identify the practices the firms follow to build their image rather than actually focusing on implementing what they are trying to project to the public.

3. Methodology

This research is an exploratory research. Secondary data has been used to gather the information. This study highlights that a business that makes the decision to be environmentally-conscious will often promote goodwill among potential customers, while making the world a better place for future generations. Many businesses hesitate to adopt green practices because they fear it will hurt their bottom line and negatively impact profits. They need to focus on the future and follow such practices in true spirit.

4. Management's Role in Sustainable Management

Management's strategies reflect the mindset of the times. In order to practice sustainable management, one has to be forward thinking, not only in the short term, but also in the long term. Management behavior is a reflection of how accepted conceptions of behavior are defined.. The manager can take some credit for the cultural changes in his or her program, but overall the organization's culture reflects dominant conceptions of the public at that time. This is exemplified through the managerial actions taken during the time periods that lead up to the present day. The sustainability management covers the following areas:

- Top level commitment, culture and decision making
- Future thinking
- What resources are going into business
- Staff
- Operational systems and processes
- What resources are being generated by business
- Relationships and influence
- Communication

To be a manager of sustainability, one needs to be a manager that can control issues and plan solutions that will be sustainable, so that what they put into place will be able to continue for future generations.. Some practical skills that are needed to be able perform the job include:

- Seeing problems/issues
- Being able to set goals/agendas
- Planning Skills
- Creating new ways of doing things (thinking outside the box)
- Taking action when it is needed
- Organizational skills

- Being able to teach, make aware, and train people
- Ability to make tough decisions
- Keeping track of progress
- Taking responsibility
- Ability to project current issues/ideas/plans into the Future
- Possessing whole systems thinking

5. Benefits of Sustainability

Organizations need to face the fact that the boundaries of accountability are moving fast. The trend towards sustainable management means that organizations are beginning to implement a systems wide approach that links in the various parts of the business with the greater environment at large.

Business leaders from around the world are consistently facing problems. While the perspective on these threats is consistent, the views on the role and responsibility of business differed greatly. These views can be categorized as:

5.1 Business as bystander

Leaders in this group feel that problems associated with market capitalism, like income inequality, are most appropriately addressed by government. Business should get out of the way.

5.2 Business as activist

In contrast to the first group, leaders in this category don't trust government. They feel that international institutions are inadequate and that business should mobilize and be active in bringing people and organizations together to effect change.

5.3 Business as entrepreneur

Members of this group feel that there needs to be a shift in how businesses think and relate to other parts of society. These leaders believe that business can play an important role in addressing social problems. This means transforming how companies do business and measure success.

5.4 Business as usual

These leaders feel that the current system of market capitalism is adaptable. They see the current financial crisis as just another bump in the road and believe the system will adapt. As a result, no changes are needed in how business organizations think and relate to the world.

Although some feel that market capitalism solves problems by self-correcting, there is still a belief that business leaders must act ethically. To sustain market capitalism, businesses must earn legitimacy in the eyes of society.

- Doing the best possible job in operating the company's core business. This means producing great products, serving customers effectively, treating employees well, and dealing properly with all other constituencies.
- Committing to good corporate governance practices. To be legitimate, a company must have good governance.
- Engaging in corporate social responsibility activities.
- Communicating with the government to try to influence public policy, but not in a self-serving way.

5.5 Economic Benefits of Sustainability

- Direct Cost Savings (energy, water, fuel, procurement)
- Better resale value because of enhanced market image
- Enhanced value - increased value of real estate vis-à-vis a lower cap rate
- Improves retail sales
- Obsolescence reduction - reduced risk of obsolescence = extended asset life
- Demonstration of due diligence
- Easier compliance with environmental regulations
- Risk adverse - reduces risk of litigation, liability, and illness
- Lower health and safety costs
- Lower Absenteeism
- Lower cost of dealing with complaints
- Indicator of management capacity and effectiveness
- Improved Public Relations - free press, product distinction and political support
- Increased Customer Loyalty and Attraction
- Innovation and Development of New Technologies
- Improved image, brand and goodwill
- Increased Profit and Shareholder Value
- Improved Productivity - comfortable environments = happy workers
- Improved Attention and concentration
- Better worker retention and recruitment

5.6 Environmental Benefits of Sustainability

- Extended viability term of land
- Conservation of natural resources
- Improvement of air and water quality
- Reduction of Greenhouse Gas Emissions
- Value to Society of Environmental Preservation and Pollution Reduction

5.6.1 Social Equity Benefits of Sustainability

- Greater health and well being
- Increased Employee Retention and Attraction
- Support of environmental/sustainability strategy and vision;
- Enhanced relations with customers, employees and surrounding communities
- Improved employee and community health through cleaner land, air and water

6. Extended Producer Responsibility

Product Stewardship is often used interchangeably with extended producer responsibility, a similar concept. While both concepts bring the onus of waste management for end-of-life products from the government to the manufacturers, Product Stewardship further extends this responsibility to everyone involved in the life-cycle of the product. This includes not only the manufacturers, but also the retailers, consumers and recyclers as well.

Product stewardship is a concept whereby environmental protection centers around the product itself, and everyone involved in the lifespan of the product is called upon to take up responsibility to reduce its environmental impact. For manufacturers, this includes planning for, and if necessary, paying for the recycling or disposal of the product at the end of its useful life. This may be achieved, in part, by redesigning products to use fewer harmful substances, to be

more durable, reusable and recyclable, and to make products from recycled materials. For retailers and consumers, this means taking an active role in ensuring the proper disposal or recycling of an end-of-life product.

Those who advocate it are concerned with the later phases of product lifecycle and the comprehensive outcome of the whole production process. It is considered a pre-requisite to a strict service economy interpretation of (fictional, national, legal) "commodity" and "product" relationships.

The most familiar example is the container-deposit legislation. A fee is paid to buy the bottle, separately from the fee to buy what it contains. If the bottle is returned, the fee is returned, and the supplier must return the bottle for re-use or recycling. If not, the collected fee can be used to pay for landfill or litter control measures. Also, since the same fee can be collected by anyone finding and returning the bottle, it is common for people to collect these and return them as a means of surviving. In general Sustainability principles are:

1. Reduce dependence upon fossil fuels, underground metals, and minerals
2. Reduce dependence upon synthetic chemicals and other unnatural substances
3. Reduce encroachment upon nature
4. Meet human needs fairly and efficiently

7. Sustainable Management- A Double Edged Sword

As sustainable management institutions adapt, it becomes imperative that they include an image of sustainable responsibility that is projected for the public to see. This is because firms are socially based organizations. But this can be a double edged sword, because sometimes they end up focusing too much on their image rather than actually focusing on implementing what they are trying to project to the public; this is called green washing. It is important that the execution of sustainable management practices is not put aside while the firm tries to appeal to the public with their sustainable management "practices."

Companies green wash in order to attract consumers and make a profit. As they know that consumers want products that are friendlier to the environment. Yet, for some reason, whether it is lack of funds or willingness, they prefer to give out an eco friendly company image instead of taking actual actions. Visibly, this kind of practice creates many inconveniences for the consumers and the businesses. First of all, when consumers realize that a corporation practices green washing, they lose trust in them. Dishonesty does not attract many clients. From the companies' point of view, if they are willing to take the risk of practicing green washing, they need to know what that implicates. Altogether, greenwashing brings a general doubt to consumers' minds. This lowers their willingness to buy green products and their trust in any green messages. People are no longer as motivated to invest in environmentally friendly products and this is very unfortunate for the business that are actually producing in an eco-friendly way.

8. Examples of green wash

Green washers Consulting is a website exemplifying some of the main tactics and strategies of green washing. Some of the examples are.

- Bush Administration's Clear Skies Initiative, which some environmentalists have argued actually weakens air pollution laws.
- Many food products have packaging that evokes an environmentally friendly imagery even though there has been no attempt made at lowering the environmental impact of its production.

- In 2009, European McDonald's changed the colour of their logos from yellow and red to yellow and green.
- An article in *Wired* magazine alleges that slogans are used to suggest environmentally benign business activity: the Comcast eco bill has the slogan of "Paper LESS is MORE" but Comcast uses large amounts of paper for direct marketing.
- The Poland Spring eco shape bottle is touted as "A little natural does a lot of good", although 80% of beverage containers go to the landfill.
- The Airbus A380 airliner is described as "A better environment inside and out" even though air travel has a high negative environment cost. .
- The Advertising Standards Authority in the UK upheld several complaints against major car manufacturers including Suzuki, SEAT, Toyota and Lexus who made erroneous claims about their vehicles
- Kimberly Clark's claim of "Pure and Natural" diapers in green packaging. The product uses organic cotton on the outside, and adds some aloe and vitamin E, but keeps the same petrochemical gel on the inside. Pampers also claims that "Dry Max" diapers reduce landfill waste by reducing the amount of paper fluff in the diaper, which really is a way for Pampers to save money.
- EBay recently created a green hub promoting preowned and sustainable products.
- Ubisoft recently announced that it would no longer include paper manuals with their Playstation 3 or XBox 360 games, claiming that this cost-cutting measure was for the purposes of being environmentally friendly.

9. Micro-sustainability

Micro-sustainability focuses on the small environmental actions that when calculated collectively result in a large environmental impact. Micro-sustainability centers on individual efforts, behavior modification and creating attitudinal changes, which result in an environmentally conscious individual or community. Micro-sustainability encourages sustainable changes through change agents, which are individuals that are encouraged; and therefore, foster positive environmental action inside their own sphere of influence. Examples of micro-sustainability include recycling, turning off lights when not in use, programming thermostats for efficient use of energy, reducing water usage through conservation, changing driving habits or patterns in order to use less gasoline or modifying buying habits or behaviors in order to reduce waste and consumption.

10. Economic Opportunity

The economic importance of nature is indicated by the use of the ecosystem services to highlight the market relevance of an increasingly scarce natural world that can no longer be regarded as both unlimited and free. In general, as a commodity or service becomes scarcer the price increases and this acts as a restraint that encourages frugality, technical innovation and alternative products. However, this only applies when the product or service falls within the market system. As ecosystem services are generally treated as economic externalities they are unpriced and therefore overused and degraded. Treating the environment as an externality may generate short-term profit at the expense of sustainability. Sustainable business practices, on the other hand, integrate ecological concerns with social and economic ones. Growth that depletes ecosystem services is sometimes termed "uneconomic growth" as it leads to a decline in quality of life. Minimizing such growth can provide opportunities for local businesses. For example, industrial waste can be treated as an "economic resource in the wrong place". The benefits of waste reduction include savings from disposal costs, fewer environmental penalties, and reduced liability insurance. This may lead to increased market share due to an improved public image. Energy efficiency can also increase profits by reducing costs.

As global population and affluence has increased, so has the use of various materials (Included here are raw materials, minerals, synthetic chemicals (including hazardous substances), manufactured products, food, living organisms and waste), increased in volume, diversity and distance transported. Sustainable use of materials has targeted the idea of dematerialization, converting the linear path of materials (extraction, use, disposal in landfill) to a circular material flow that reuses materials as much as possible, much like the cycling and reuse of waste in nature. This approach is supported by product stewardship and the increasing use of material flow analysis at all levels, especially individual countries and the global economy.

Every economic activity produces material that can be classified as waste. To reduce waste industry, business and government are now mimicking nature by turning the waste produced by industrial metabolism into resource. Dematerialization is being encouraged through the ideas of industrial ecology, ecodesign and ecolabelling. In addition to the well-established “reduce, reuse and recycle” shoppers are using their purchasing power for ethical consumerism.

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11. Conclusion

Companies must make the connection between sustainability as a vision and sustainability as a practice. Managers need to think systematically and realistically about the application of traditional business principles to environmental problems. By melding the two concepts together, new ideas of business principles emerge and can enable some companies-those with the right industry structure, competitive position, and managerial skills- to deliver increased value to shareholders while making improvements in their environmental performance.

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