

# GREEN AND SUSTAINABLE MANAGEMENT – A DECIDING FACTOR FOR TOMORROW’S BUSINESS

**Dr. Manju Khosla**  
**Assistant Professor**  
**Deptt. Of Commerce, Gargi College**  
**University of Delhi, Delhi, India.**

Sustainable development as the “ability to make development sustainable—to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs”. In the modern era of globalization, it has become a challenge to keep the customers as well as consumers in fold and even keep our natural environment safe and that is the biggest need of the time. As the society is becoming more and more aware and concerned with natural resources and environment, business organizations have begun to modify their working in attempt to increase the greenery to the maximum possible and to attain sustainability in business that becomes a deciding factor for tomorrow’s business. Green management means implementation of management systems directed at the environmentally conscious segments. Keeping in mind all the points related to green environment protection, the role of green and sustainability management is expected to be observed at all levels and in all departments of management in this modern world of globalization and innovative hi-tech advancements. In this research paper, main emphasis has been made on analysis of concept and need of green and sustainability management. Research Methodology to be used while conducting this study takes qualitative approach. Data has to be collected from multiple sources of evidence to understand the importance of green and sustainability management, in addition to books, journals and news papers; we have to rely on different websites and other professional magazines. Additional data has to be collected through questionnaires and personal interviews with management experts of large companies and environment specialists along with some support personnel (consumers and customers). The interviewees have to be identified through prior knowledge of green and sustainability management. Coming to the findings, there is utmost need to create awareness, implement and follow green and sustainability management as much as possible in today’s business world of innovative technology so as to make the business of tomorrow better.

## **KEYWORDS**

Globalization, Green Management, Green Natural Environment,, Human Friendly Environment, Sustainability Management.

## **INTRODUCTION TO SUSTAINABILITY**

Although many different terms are used, such as Corporate Social Responsibility. Corporate Responsibility, Responsible Entrepreneurship, and Corporate Citizenship, CSR or corporate sustainability essentially refers to the balanced integration of social and environmental considerations in business strategy and operations. It is about maintaining economic success and achieving commercial advantage by building reputation and gaining the trust of people that work with or live around the company. In other words, it means satisfying customers’ demands, whilst also managing the expectations of other people, such as employees, suppliers and the surrounding community. In the present scenario of globalization and innovative technical advancements, we all are missing one thing-very important day by day, and that is greenery. And second thing is sustainability.

Increasing levels of green house gasses in atmosphere, widespread, destruction of rain and forests, and a growing list of endangered species are just a few of the indicators that are not well. Since few decades the depletion of ozone layer is becoming more and more detrimental against sustenance of life on earth, may be in form of flora or fauna. Day by day increase of temperature and extra normal effect of ultraviolet rays are becoming harmful for life on earth. The effect is increasing in direct proportion to decrease of forestation on earth. One billion trees are used to build disposable diapers every year. Making a new can from scratch uses energy equal to half a can of gasoline. In a year the average Americans use as much wood in form of paper as the average reside in developing world burns as fuel. This is a fact that Americans only throw away 44 million newspapers everyday that means 5 lac trees a week. In one minute 50 acres of rain forests are destroyed. As society becomes more concerned with the natural environment, business has begun to modify their behaviour in attempt to increase greenery all over. To do all this every company has a green story. For a company survive and prosper it must be able to offer enough value with its products and services. With “green” becoming a big concern, the environment and traditional economic drivers are becoming twin dominant forces facing companies. This is welcomed by environmental groups and the community because it helps internalize solutions to the external environmental problems of a product that have been caused by company activities. Other pressures on companies are starting to appear and intensify. The political agenda now includes legislation, standards, voluntary initiatives and even financial penalties. Community pressure (often through Non Governmental Organizations (NGOs) is increasing as are green demands from within companies from stall and shareholders. No doubt the development and offering of green products and services positively impact consumer and natural environment. Green management is very well considered most essential in business organizations now-a-days. Green management means sustainable management that actually delivers on green objectives, not green washing. Green ‘management is growing greatly as increasing number of customers are willing to back their environmental consciousness with their rupees. The consumer or public tends to be sceptical of green claims to begin with and companies can seriously damage their brands and their sales, if a green, claim is discovered to be false or contradicted by a companies’ other products or practices. Majority of green jobs in India are coming from managing natural resources such as water and, not just from deploying renewable energy like wind and solar power. These employees are called green collar employees. Presenting a product or service as green when it is not, is called green washing. So it is the time to implement true green and sustainability management.

## **MEANING OF GREEN AND SUSTAINABILITY MANAGEMENT**

Green management means a process of managing business processes based on their environmental benefits. Sustainability Management means adopting business strategies and activities that meet the needs of the enterprise and its stakeholders today while protecting, sustaining and enhancing the human and natural resources that will be needed in the future. Green and sustainable management presents unique challenges, not the least of which is the lack of standards determining what it means to be a green and sustainable product or a green company. Along with rise of green consumers, the rise of eco labelling, green advertising and importance of environmental reporting clearly observed. Green management is a golden goose. Green management involves managing business processes in such a way that satisfy customers’ wants and needs for quality, performance, affordable price and convenience without having a detrimental input on an environment.

## **SUSTAINABILITY: A SMART BUSINESS DECISION**

Sustainability can bring direct benefits to a business and secure its long-term competitiveness. Increasingly customers want a reliable supplier with a good reputation for quality products and services. Suppliers want to sell to a customer that will return for repeat purchases and will make payments in a timely manner. The

company's community wants to be confident that the business operates in a socially and environmentally responsible way. And lastly, the company's employees want to work for a company of which they are proud, and that they know values their contribution. To remain competitive, companies need to be able to adapt to these new demands from the market and the society in which they operate.

## NEED OF STUDY

In the present scenario, challenge is to keep the customers as well as consumers in fold and even keep our natural environment safe which is the biggest need of the time. Companies may lose many loyal and profitable customers and consumers due to absence of green management. There has been a great urgency of green management as best as possible to compete well in today's innovative business world of high technology due to growing community and consumer interests in green and socially responsible products, increased community pressure on companies to internalize externalities because communities do not want to bear the consequences such as health issues: loss of neighbourhood amenity, waste or climate change; environmental and governmental legalizations and initiatives; innovative technologies and approaches that minimize the sort of dealing with pollution and improved resource and energy efficiency. So to save our natural environment, to create new customers and consumers and to retain old (loyal and profitable) customers and consumers, it is very much urgent to implement green marketing. Green marketing leads to human friendly environment and saves natural resources. Further more to say, as green management put in practicality produces new environment friendly customers and consumers and retains old environment friendly customers and consumers, leads to increase in sales and profits of an organization that leads to growth and development of business. The major importance of green management is that it also leads to good public image of the organization as it saves our natural environment, without which no business is possible. Lastly it is very much right to say that green management is deciding factor for tomorrow's business and for sustenance of life.

## THE BUSINESS CASE SPECIFICS

According to the World Business Council on Sustainable Development business can benefit from pursuing sustainable development in two basic ways – by driving cost efficiencies and by generating top-line growth. The balance of this report is divided along these lines.

### A. Driving Down Costs (i.e. return on capital including operational efficiency, workforce efficiency)

**1) Cost Savings from Improved Operational Performance and Efficiencies** • Process optimization - reduced material inputs, energy efficiency, and waste minimization Sustainability Performance Ratios - potential savings equivalent to 1-3% on revenue from reduced utility, materials and waste costs (Willard)

- Improved product quality and reduced error rates
- Expedited permitting and improved relations with regulators: Companies that satisfy and exceed regulatory compliance can develop better relations with regulatory agencies leading to less red tape and scrutiny
- Enable bottom line costs savings through environmental operations and practices (cg. water and energy efficiency, less raw materials needed)

**2) Costs Avoided by Minimizing Business Risks and improving Safety (i.e. risk management, including regulatory risk, license to operate, supply chain/security of supply and reputational risk.)**

- Corporate responsibility provides a means by which companies can better understand and manage risk
- Establishing a comprehensive CR policy and strategy can offset these risks, spanning legal, financial, environmental and societal risks.
- Avoids litigation, legal claims, and accident expenses
- Mitigate risks by complying with regulatory requirements, industry standards and NGO demands
- Social license to operate: facilitate uninterrupted operations and entry in new markets using local sustainability efforts and community dialogue to engage citizens and reduce local resistance
- Supply chain security: secure consistent, long-term and sustainable access to safe, high quality raw materials and products by engaging in community welfare and development
- Reputational risk: avoid negative publicity and boycotts by addressing sustainability issues.

**3) Cost Savings from Improved Recruitment and Retention of Talented Employees**

- Reduced recruitment and training costs
- Better able to attract the best and the brightest, especially amongst graduates.

**4) Cost Savings and Income Produced through Improved Employee Morale and Productivity**

- Higher long-term productivity levels from: More motivated, engaged and inspired workforce Better trained staff from the application of higher workplace and labour standards
- Decreased employee turnover (Staff retention issues can cause increased workload for remaining staff, increased operating costs, loss of business to competitors, fall in customer service standards, delays developing new products and services and difficulties introducing new working practices, according to Grant Thornton IBR 2008 as cited in Recruitment and Retention: The Quest for the Right Talent")
- Boosted employee satisfaction and performance leads to increased customer satisfaction.

**B. Generating Growth (including new markets, new products, new customers market share, innovation. reputation/differentiation reputation/price premium) 1) Increased Revenue Through Learning and Innovation**

- Sustainability helps to identify new markets and price premium opportunities enhances ability to gain access to new markets and market share through THE BUSINESS CASE FOR SUSTAINABILITY exposure from sustainability approach
- New products through the application of new technologies and improved understanding of consumer needs e.g. Interface; create products to meet unmet social needs and increase differentiation
- Stakeholder engagement is a catalyst for corporate innovation
- Opportunity to develop cutting edge technology and innovative products and services for unmet social or environmental needs that could translate to business uses, patents, proprietary knowledge, etc.

## 2) Enhanced Recognition and Reputation

- Sustainability is an intangible asset that has the potential to enhance corporate reputation and differentiate a brand Reputation, or brand equity is founded on values such as trust, credibility, reliability, quality and consistency Reputation for integrity and respect can build customer loyalty based on distinct values differentiating the brand from the competition

## 3) Improved Customer Loyalty

- Sustainability provides an opportunity to develop customer's willingness to pay increase or premium
- Deeper understanding of customer expectations leads to more closely targeted solutions, products, and services.

## 4) Improved Access to Capital

- Improved reputation with investors, bond agencies and banks • Enhanced credit worthiness, lower cost of capital due to greater investor confidence in company's ability to manage change.
- Small but growing trend in the investment community to use environmental and social performance factors to determine risks and liabilities, and evaluate a company's suitability for investment:

## 5) Improved Supply Chain Management

- Improved ability to attract and build effective and efficient supply chain relationships. A firm is vulnerable to the weakest link in its supply chain
- Like-minded companies can form profitable long-term business relationships by improving standards, and thereby reducing risks.

## 6) Enhanced ability to strategically plan for the longer term

- Better anticipate and understand trends in society to proactively plan for the longer term as a result of new regulations, heightened societal expectations and improved scientific knowledge
- First mover advantage by anticipating the impacts of social pressures • Enhanced ability to meet changing, broadening stakeholder expectations.

## OBJECTIVES OF STUDY

1. To realize the importance of green and sustainability management to save our natural environment in present scenario of globalization.
2. To create awareness about green and sustainability management.
3. To prove how green and sustainability management satisfies the needs and wants of today's customers and consumers.
4. To realize the role of green and sustainability management in retaining old environment friendly customers and producing new environment friendly customers and consumers in this tough competitive business world.
5. To realize the contribution of green and sustainability management in creating good public image of the company in this highly innovative scenario.

6. To realize the importance of green and sustainability management to understand organizations to know their impact on people, clients, suppliers, society and environment.

## FINDINGS

1. Green and Sustainability Management is an effective tool to satisfy the needs and wants of environment friendly consumers and customers leading to customer and consumer loyalty.

2. In the globalized hi-tech business world. Green and Sustainability Management significantly affects a company's public image.

3. Standardized Green and Sustainability Management increases the profits and market share of an organization.

4. Green and Sustainability Management acts as an effective tool to minimize the risk of environment friendly customer and consumer loss in this tough competitive business world.

5. Green and Sustainability Management helps in sustaining business as well as life by saving natural environment.

## SUGGESTIONS

1. Bring openness to change amongst the employees in the organization, which is essential to introduce changes to meet the environmental commitments.

2. Tap into the passion of the people within the organization to bring about changes which are beneficial to the environment and society.

3. Think global, act local.

4. Connect people and ideas in order to make relevant impact.

## CONCLUSION

Sustainable development as the “ability to make development sustainable— to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs”. In the modern era of globalization, it has become a challenge to keep the customers as well as consumers in fold and even keep our natural environment safe and that is the biggest need of the time. Consumers and customers are becoming aware about the environment day by day. Green and sustainability management is the need of today to save our environment, natural resources, energy and water. Every company is trying to get green. Everyone is getting aware and is looking for green products. The rise of ecolabelling, green advertising and environment reporting are clearly observed, during the conduct of study, which radically reduces material, energy, waste, saves environment and finally helps sustain life. Green and Sustainability Management is growing greatly as increasing number of consumers and customers are willing to back their environmental consciousness with their rupees. Green and Sustainability Management also effects company's public image. Green washing (presenting a product or service as green when it's not) should not be practiced as it leads to loss of customers and decrease in profit levels, Lastly in few words we conclude – in present scenario of competition Green and Sustainability Management becomes the deciding factor for tomorrow's business.

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