

Prevalent Social Mentalities Act as Barriers to Corporations Becoming More Pro-active in Environmental Causes

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Individuals, governments, and corporations all play an important role in solving our environmental problems. But of these three actors businesses seem to be the most stubborn in changing and playing a more active part in solving these issues. This is due mainly to long established ideas that companies are meant mainly to make money. Business owners have difficulty in wanting to use company resources to help improve the environment as doing so will have a minimal effect on their profit margins, if not a negative effect.

Despite this seemingly inherent stubbornness businesses are perfect organizations to help solve our environmental problems. There are already examples of companies out there with different and innovative ideas in regards to how environmental problems can be dealt with, showing that businesses can play a positive role in environmental issues. The fact that successful corporations are already well organized to utilize its human and financial resources to their most effective level means that if some of these resources were diverted towards solving our environmental problems then the world would be all the better. This does not necessarily mean that companies create small divisions devoted only to environmental issues but rather they become more pro-active in reducing their impact on our environment and how they can use their resources to influence other individuals and organizations to do the same.

For any of this to happen on scale where it needs to occur for any progress to be made, businesses and society as a whole need to get past the archaic idea that businesses are only meant to make money for the business owners and its employees. The world we live in has too many problems with the environment alone for businesses to just be money makers. Businesses are already set up in a way to contribute to solving our environmental problems, the challenge now is to alter the mentality that businesses do not have a role in solving problems not related to their core business.

Working to solve environmental issues will literally take an effort by all people and organizations to solve. Environmental problems are so comprehensive that all the parties involved have an effect on whether the other party will be encouraged to help solve environmental problems. This is only one difficulty in getting businesses to play a more active role in solving our environmental problems. With motivation positively correlated with pressure from other social actors it makes it hard to encourage businesses to work towards becoming more environmentally conscious.

Individuals are perhaps the most obvious actor out of those involved. Individually the way people view environmental issues varies greatly and the differences cut across all different lines including generational, cultural, and national groups. Taking the U.S. as just one example environmental conservation education is certainly more dominant in younger students, especially those in my generation who grew up during the 1990's where all kinds of environmental concerns became especially prominent, including rainforest conservation and recycling. It is simply that some people will not litter, or will turn off unneeded appliances to save energy, etc., while others will do the exact opposite and harm the environment. These people are the ones that governments see as being needed to be offered some kind of reward to help induce more responsible behavior. For one example some local governments in California give benefits to those who own hybrid cars, such as preferential parking and tax breaks.¹ But these awards do not appeal to everyone and it can be argued that a large proportion of these people would actually already drive hybrids even without the added rewards from the government. Furthermore since governments in democratic countries are voted for by the people and politicians themselves are people, the environmental awareness at the individual level will be reflected by in their government. People will not vote for a green politician if they themselves are not green. Governments, being representative of the people, will also vary in how environmentally friendly they can be. Developing nations generally do not even bother with trying to prevent further environmental damage, as is illustrated by the increasing amount of pollution put out by emerging economies like China.² It will hardly be argued that Japan and many of the EU's member states are greener than the United States. As seen with the adoption of the Kyoto Protocol the U.S. and Australia have both refused to ratify the treaty, illustrating just how different approaches can be towards environmental issues among developed countries.³ In addition, a poll in the U.S. about citizens' biggest concerns showed environmental issues came in at 1%.⁴ This lack of concern has allowed U.S. politicians to not ratify Kyoto with little political repercussions. But even in the U.S. awareness and importance can vary, with green issues being politically prominent in my home state of California while it is less of a concern in many others. The same concept is true for businesses, with it being unlikely that companies will lessen their environmental impact if the individual employees and customers do not care about environmental issues. This interconnectedness between individuals and organizations is a major factor in how quickly environmental concerns will be addressed. On the one hand individuals directly determine how governments and businesses will act in regards to environmental problems, but at the same time governments and businesses can induce favorable action from individuals. This cycle will make it difficult for environmental issues to be solved, and somewhere in the cycle there needs to be someone or some organization that will help lead the effort.

The connection between businesses and governments in the process of improving environmental conditions is similar to the cycle seen with individuals and governments. The influence governments have over businesses is illustrated with emissions credits and other various policies governments make to either entice or more directly force companies into being more environmentally friendly. But the degree of what governments can do is directly affected by how green the local population already is, and as an extension of this will be how green the business community is. If the majority of businesses are opposed to greener policies they will not sit idle and blindly comply with such measures. Businesses, especially entire industries, will lobby their governments and find ways to lessen the strength of any policies they do not want. Prior political support from lobby groups and individuals can also persuade governments to act in a way favorable to businesses' profits, since compliance with some environmental policies, especially emissions caps, are costly for many businesses. But in countries that are known to be green there is more willingness for companies to also be green, and if there are companies against it then public pressure can also be a decisive factor in changing their minds. But not all corporations ignore social conditions and do not need the government to hang a carrot in front of them for them to lessen their environmental impact, as will be illustrated later in this paper. Again, with the cycle present in the relationship between governments and business, with governments working to persuade companies to be more green, while pre-existing prevalent notions will determine how green companies already are and in what ways they will push their governments, there needs to be one side that will take the lead to help further developments in improving the environment. If this relationship is left as is governments and business will always maintain equilibrium and maintain a perpetual balance with no significant improvements achieved, since the current status quo itself is not lending itself to improving the environment enough.

The biggest challenge to solve environmental problems from a business standpoint is to make corporations and the people within them care about environmental issues. Problems extend beyond commonly cited issues such as greenhouse emissions but rather extend into all aspects of business, from the way offices conduct their internal activities to how products are packaged. Environmental problems are more than just changes in the weather, and businesses play a role in all environmental problems that can be thought up. Prevailing mentalities in the business community is a major prohibitive factor in solving environmental problems - businesses in almost all parts of the world are occupied with making profits and using those profits to make more profits. With this dominant mentality in place the cycle will never end and successful companies will only use the majority of their profits to reinvest in their own company. While it might seem like a lost cause for companies to be a driving factor in improving our environment's condition companies can in fact play a large role in furthering environmental causes.

As a student studying business and while working in Tokyo I have encountered a lot of different opinions regarding the roles of business in the environment. There have been two defining moments during my time in Tokyo that have shaped what I believe businesses can and should do to play their part in improving the environment we live in. The first event was during a discussion in a marketing course where the topic was corporate social responsibility and the increasing number of corporations that are embracing the notion of corporate social responsibility. One student proclaimed though that the whole idea of corporate social responsibility only amounts

to a marketing ploy to help improve a company's image, and those companies would not engage in such kinds of social conscious activities if they did not contribute to a company's pocketbook. While I do not disagree with my classmate's ideas I found it difficult to believe companies only work to contribute to society only out of greed. Companies themselves are staffed by people and these people have their own principles the same way environmentalists have principles. Personally I have worked for companies that will match (or even double) donations made by employees to charities or will allow workers to take time off to do volunteer work. Maybe for some companies this is just a public relations ploy to improve the company's brand name, but even so these kinds of policies allow for well intentioned employees to contribute to their communities. It also needs to be reiterated that at the head of all companies is a person and that not ever head of a company is a profit driven executive. It is entirely likely that this executive has a number of causes they care for and will use their influential position to help further their own personal cause. This can be seen in describing the next event that has helped shaped my views on what companies can do to help solve environmental issues.

I was in attendance at a meeting where the speaker is the founder of a sports equipment and apparel manufacturer that actively works to further environmental causes (due to confidentiality the company cannot be named). The company itself engages in numerous practices to help limit their effect on the environment as much as possible. The things being done are admittedly basic like re-using paper for printing internal use materials. But the founder went on to explain two innovative activities among the many the company engages in to reduce their environmental impact.

The first is that the company does not use any extraneous and unnecessary packaging for their products. Thinking about what was being said I myself realized how much is wasted to essentially dress up a product, but in the end add no actual value to the product itself. Studying marketing as a student I know that especially in competitive and sophisticated consumer markets such as Japan the materials used to market a product is important to help differentiate a product and to attract customers. But this still does not change the fact that the attractive boxes, extra tags, and other packaging materials, are simply not necessary. A small product tag itself that is attached to clothing uses numerous resources, both financial and natural; the energy used in all aspects of making the tag, the raw materials going into making the tag, the dye for the color and adding print, and the material used to attach the tag to clothing. In the end all the resources going into making this tag will literally be cut off and thrown away. This led me to the question of how necessary are these things really? In the end I'm buying the product, not the advertising.

The second thing described by the speaker was that the company regularly helps environmental non-profit organizations financially to help further their cause. The founder reasoned that the company itself was a sporting equipment maker, and while the employees for the company were passionate about preventing further environmental damage, it was reasoned that those groups who dedicate themselves fully to environmental causes were better suited to helping to achieve lasting progress in environmental issues. This was interesting to me because in my own experience companies would somehow try to contribute to certain social causes and would stop there. But to actually actively support other organizations to help further a cause was entirely new to me.

What all these things have revealed to me is that companies, being a central way in which people are organized in modern society, can play a large factor in solving our environmental problems. Being that most people in the world have to work, those companies that allow employees to engage in volunteer work or contribute to non-profit organizations can help provide resources to other organizations working for environmental causes that lack money or manpower. As seen in the above example the sporting goods company has taken a pro-active approach to environmental issues and donates money to environmental non-profits, which are most likely to have little funding available to further their cause. But obviously this kind of company is rare. As stated at the beginning of the paper a company's orientation towards environmental issues will be directly affected by the individual employees working in the company. This company is staffed by those who take an active interest in environmental issues, and this is not true of every company. But this should not be a deterrent to employees at other companies who want to do their part in solving these problems as many companies that are significantly less active in this area can still do their share in being part of the solution. The prevailing mentality that corporations are for-profit organizations is a hindrance to solving environmental issues. As seen in the company I have been using as an example, this for-profit organization has used its own profits to aid non-profits financially. Companies can play a large role in solving environmental problems. It would be most expedient in solving environmental issues if more companies were as active as the sporting goods manufacturer but that is not realistic. Despite this there is still reason to push for more companies to become active in this area – companies are already organized to utilize its employees and financial resources, and can therefore direct some of this knowledge towards this cause, similar to how my example company uses its resources to further this cause.

Corporations are money making machines as opposed to charities and non-profits that have to rely on donations and other sources of income that are not stable. Successful corporations are geared towards bringing in profits consistently. Currently the dominant idea is to reinvest one's profits to bring in more profits. But there reaches a point where more profit is just unnecessary other than to show others how successful the company is. A company will not reinvest all of its profits because in some cases it may not even be possible. Large corporations make millions and even billions in profit and the ability to reinvest it all back into the company is just not feasible, therefore it can be directed towards social causes, including environmental issues.

Companies can also leverage their names just like celebrities and direct popular attention towards specific causes. Most successful companies should have successful marketing divisions and therefore understand the best ways to appeal to the public. Company and brand names alone can simply spotlight attention onto environmental issues. A popular brand throws its support behind a certain environmental cause and at the least people will become more aware of that issue and will then act on their own to contribute to the cause. Or companies can even start up their own campaigns to further environmental causes in conjunction with their normal lines of business.

There is an increasing social awareness among employees and therefore it becomes more likely for companies to take their profits and redirect it to social causes. But there will still be those who do not believe it is a company's responsibility to do such things. This will be one challenge to overcome for businesses to contribute to the solution rather than the problem. The

main challenge for businesses to overcome to help become a part of the solution is to abandon the idea that their sole function is simply to make money. This concept is become quickly outdated and needs to be adjusted to fit into the modern world, which unfortunately is filled with too many social problems for companies to continue to act simply as revenue generators. Companies are perfectly situated and organized to further not just environmental causes but all kinds of different social causes. They have the financial resources and the knowledge of the market place to know how people behave and what needs to be done to appeal to them, yet these skills are still only used to further profit margins.

The focus on money has wider effects than just how corporate time is directed. As seen in my sample company there are plenty of things companies can do that not only reduce waste and resources used, but will also reduce company expenses. These kinds of things, small modifications to our everyday activities in the office, are generally not stiffly opposed. Reusing paper to print documents only needed internally is not a big deal to most people and therefore is easily accepted as a way to improve the environment and reduce costs. But this is where things differ for the company in my example and many other companies. For the example company these activities are done primarily out of concern for the environment, and it is only an added benefit that costs are reduced. For other companies it is the other way around, where it is done to reduce costs and it is an added benefit that the environment benefits. This being the case for small modifications in daily activities helps explain why acceptance of more strict emission standards meets such strong opposition. To reduce emissions would either take investment in new technologies or to stop emitting any greenhouse gases and pollutants completely, meaning all industrial activity will end. The latter option is not feasible in any way, so it is the costly investment into technological upgrades that is needed to reduce emissions. The problem though is the cost that many companies either cannot afford or do not want to pay for. The bottom line for companies is that they need to make money, either because that is part of the corporate culture or because there is pressure from share holders to make profits. In any case the drive to make money is ever present and acts as a huge barrier for companies to play a larger role in solving environmental issues.

Being that businesses have always been organizations directed towards making money for the benefit of the business owners it will be difficult for this mentality to change. Looking back at the cyclical relationship between the actors it will take both internal drive and external pressures to alter the prevailing mentality within the business community. My example is one example of a company driven internally to improve the environment and to play an active role in this cause in addition to its actual business activities. There was no pressure for this company to act the way they do and it all comes from the people within the company. You also see this in other corporations where certain social issues become important to a particular employee and they are able to direct some company resources to help further the cause. In addition to this it will also take time, as it takes time for more environmentally conscious individuals enter into corporations and become employees themselves. As mentioned before environmental issues reached their peak only in the past couple decades and therefore corporate society as a whole is still dominated by those who did not grow up being inundated with education centered on the importance of environmental preservation. This internal shift will eventually shift the attitude of what it means

to be a business and what roles these organizations play in society. External pressure will also continue from governments, the public, other countries, etc. This is important because while external pressure does not necessarily alter a business's general mentality to want to become more environmentally friendly not only can it directly force a company to reduce its contribution to problems it also creates an environment where those who are environmentally hostile will eventually be pushed out. For example, if a national government and its population is pushing for companies to be more environmentally responsible it will be more likely for environmentally conscious employees to come into positions of prominence since external actors need to be addressed. Therefore this kind of external pressure is just another way companies will eventually shift internally.

It will be a long road for businesses to become a more prominent actor in solving environmental problems. Pressure, or the lack of it, internally and externally, will play a determining role in what businesses do to contribute to the solution. But more importantly it is a prevailing corporate mentality that businesses are only meant to make profits and further only business goals that is a barrier to increased action by corporations. As seen in my example and numerous other corporations there are many things companies can do, simply because they are already organized and geared towards action, to help improve our environment. But as long as it is viewed that companies are only meant to further their own financial goals the majority of companies will only do little to contribute. As seen with emissions and other environmental issues heavy on technological solutions the money factor will continue to keep companies from wanting to do more. Corporate thought needs to change and move past the simple idea that businesses should only make money, but rather add to that idea that businesses should also make money and use the resources and organization at their disposal to further improve the world we live in. Only once this is achieved will businesses overcome the challenge to solving our world's environmental problems.

Endnotes

- 1 "California Hybrid vehicle purchase Tax Incentives." Hybrid Cars. <<http://www.whybuyhybrid.com/California-Hybrid-vehicle-purchase-Tax-Incentives.htm>>
- 2 "Beijing smog raises health fears." BBC Sport. British Broadcasting Corporation. <http://news.bbc.co.uk/sport2/hi/other_sports/6949483.stm>
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- 4 Black, Richard. "Small climate of concern as U.S. polls loom." BBC News Website. British Broadcasting Corporation. 23 October 2006. <<http://news.bbc.co.uk/2/hi/science/nature/6068274.stm>>