

# The green business strategy flashcard



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## The green business strategy

Topical Discussion on the Context of the Reading:

Harvard Business Review on Green Business Strategy

### INTRODUCTION

Turning back to being green is the primary aim of different business establishments today. Why is this so? It has been noted that because of the growing rate of the existence of different pollution in the human environment today, working performance of people begins to stumble down.

Likely, this is the main reason why most metropolitan business areas today aim to take a serious approach in handling the issues of their people. Among the most effective approaches suggested by experts is the green business strategy. What is this particular approach all about? The Harvard Business Review Began a research that would introduce the essential factors that are involved in the process of applying the Green Business strategy among several business entities around the world today. It is the aim of this particular review to show the different dimensions of discussions that the context of the Harvard Business Review actually mentions about the said matter.

### NATURAL CAPITALISM AND THE MODERN BUSINESS

Natural capitalism in this particular sense of the issue discusses the need to reuse the natural elements of around the natural environment of humans to

increase the performance capabilities of the human entities in the business industries today.

It is through this particular approach of capitalism that the need for human intervention at work is being recognized. Considerably, such approach is noted for its multi-dimensional effects upon the business organizations and the stakeholders that they ought to serve. The primary aim is to keep the employees of the organization through caring for their values as they implant the green business approach. This also includes the entire environment surrounding the business vicinity.

How is the approach to be taken? To further explain, there are three major points of consideration that the authors found out to be directly affective to the performance of the employees. These elements then had been considered part of the green business approach that needs to be understood by the entrepreneurs of the business industry. These there aspects are further discussed as follows:

#### A) Psychological Aspects

In this section, the interviewees mainly pointed out that working in the offices from 9am to 5pm gives them stressing situations that at times, even though they are already at home, relaxation does not come easily. As a result, lack of sleep and rest because of the anxieties brought about by the other day is carried on through the next day of work. The presentation that follows is a diagram of psychological factors that the interviewees believe to have a great impact on their performance at work.

## Diagram 1: Psychological Factors that Affect the Work Performances of Organizational Companies

(Office-based Jobs)

Diagram Explanation:

In this diagram, it clearly shows that there are three major psychological factors that affect the performance of the employees. Along with these are the three major pressures that bring hard-to-deal-with stress to the workers. The major psychological factors and pressures shall be discussed within the paragraphs that follow.

The psychological factors:

These factors are usually noted to be among the elements that contribute to the disturbance of the employee from concentrating on the job that he or she is appointed to finish.

The said factors are as follows:

- Noise and Clutter

Normally, if the employees are stuffed in a one-level office whereas the tables are situated at a close distance to each other, clutter and noise is most likely to occur.

Hence, as a result, some employees who are not used to working in noisy areas lose their concentration on their tasks. Satisfaction of the employees on this aspect falls down.

- Gossip at work

As mentioned earlier, if the tables are situated to be close to each other, there is much temptation to talk to each other during work hours. The gossip then again disturbs the focus of the employee with the job that they are commissioned to complete.

- Misbehaved officemates

Gossiping itself is already misbehavior on the part of some employees, however, because of the closeness of the chairs and the designated location of the office workers, it is not impossible for some trouble to occur especially when rush hour or “ stress-hours” occur.

Aside from the existing psychological factors that cause the employees to lose their focus on the job are the three major pressures that cause stress on the part of the employees. The said three elements of stress are as follows:

- Too Strict policies

Usually, these policies are designed by the administration. They are further implemented to secure the performance level of the employees. However, at some point, some business organizations imply too much strict policies that the employees feel tied to much on the rules and regulations of the organization.

The feeling of being watched all the time makes the employee feel uneasy resulting to poor performance.

- Company Pressures

This may include deadlines, and standardized requirements form the final output of the finished tasks of the employees. Once the standards are set at a very high level, at times, the employees loose track on how possible it would be to achieve those standards. The pressures they get at some point drives them to having deep-rooted stress that makes it harder for them to perform well in their duties.

- Personal pressures

Each employee has a personal standard, which he or she follows as a basis of personal excellence.

When this is not met because of the impending disturbances, the employee tends to get discouraged in his own work and would later on lack the capability or the encouragement to do better in his job.

The pressures listed herein, if observed closely pertain to normal occasions that govern a certain employment requirement. These pressures, if take positively could be a good source of encouragement for the employees to perform well. However, to realize each pressure's positive side, the administration should propose a way by which to help their employees thrive with the said pressures.

## B) Architectural Aspects

The architectural aspects pertain to the arrangement of the office were the employees work in. It could be noticed that the psychological factors

mentioned above could still be regulated or best, eliminated within the work areas of the employees through the application of effective architectural design.

### C) Business Aspects

Once the psychological needs and the architectural arrangements of the office are merged, the occurrence of fine business transactions happens alongside. The effective merging of the first two factors discussed in this chapter obviously contributes to the effectiveness of the performance of the employees in business-based measurements. In the diagram that follows, the chain reaction shall be presented:

#### Diagram 4: Business Aspect Cycle of Effects

##### Diagram Explanation:

In this diagram, the chain reaction of the effective usage of the practices of psychology, architecture and business in merging them together is shown.

The effectiveness of the merging of the three principles in business indeed gives better result on the company administration-employees interaction.

##### Summary:

Through the presentations shown, it could then be observed that the effective merging of the three major practices namely architecture, psychology and principles of business has a great impact on the performance of the employees. From this presentation, it could be derived that employees does not only get satisfied with the payment that they

receive from the company in exchange of the efforts that they put forward for the organization. Their satisfaction is also sourced out from the quality of their work environment and the psychological needs in them that are provided by the company. Relaxation along with work is one of the outstanding suggestion in this section. To some companies, music may not be that applicable.

However, for offices that mainly deals with massive paper works, the soothing sound of instrumental music could contribute to the calmness of the work environment.

This mainly points out the importance of effective management. Taking care of the company's human resources is the main responsibility of the management team. Not known to many, it could also be a part of the managers' duties to govern the office arrangement of the work area. Through their ability to identify the needs of the company as they are merged with the needs of the employees, they could contribute so much on the effective, and performance centered arrangement of the offices.

In doing so, there are some specific needs as presented by Maslow that should be considered. These are as follows:

According to Maslow, this hierarchy of needs is necessary factors that employers must address every time the issue on employee satisfaction is being discussed. It is the responsibility of every administration that the said needs of individuals are duly provided to their employees. By doing so, the company administration ensures their company of an excellent service from



their employees resulting to better reputation of the organization as presented to the society.

From this particular section of the reading, it could be observed how the use of the natural elements [the existing factors that the organizations already possess], attaining the best goals for the organization and their employees is not that hard to accomplish.

Most likely, this section teaches the need for business owners to be creative and definitive in their approach to business as well as to the ways by which they render their resources for the sake of meeting the needs of their employees. The green strategy approach suggests the need to “ look around”. Instead of keeping on trying to “ pay” for expensive services, the business administrators should need to use what they already have at hand. Doing so would not only help them deal with the employee issues that they are facing, but also handle cost efficiency programs for their people as they are simply to use what they already have to enhance the capability of their employees to function better. These aspects as noted above, actually involve the need of evaluating the architectural design, the psychological environment and the business organization itself. Considerably, making the three major aspects of business design suggests the need to be concerned and knowledgeable about the three major matters of consideration in business operations.

Through this, the entrepreneurs are using the capital that they already have and implicating them on the process of engaging the employees to better

work culture and later on gain profit as return to the provisions that they are giving to their business' human entities.

Obviously, the authors of the reading being discussed herein offered to create possible ways to solve employee issues among business organizations through giving the said workers the rightful environment that they deserve. This then is believed to be provided primarily through the new innovative architectural design that is proposed to most entrepreneurs today. The green business design then is clearly not only concerned with the design of the area of work but also as to how the employees react to the said situations as changes in system of work are asked of them when the green business strategy is applied.

## THE REAL ISSUES

Industrial progress was meant to make human life easier.

In some ways it has. However, it is this very “ progress” that aggravates the earth's environmental problems. People obviously appreciate the inventions and advancements that industry has presented to the society, but the very production of these and the use of them have often resulted in ruining parts of the earth.

An example of this is motor vehicles.

These have made travel quicker and easier. Very few people would like to go back to the age of the horse and buggy. Nevertheless, modern transportation has contributed to a host of problems. One of them is global warming.

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Humans have been altering the chemical composition of the atmosphere by using inventions that spew out millions of tons of gases. These gases are said to cause what is called the greenhouse effect, resulting in the warming of the atmosphere. Temperatures increased during the last century. The U. S. Environmental Protection Agency reports that “ the 20th century’s 10 warmest years all occurred in the last 15 years of the century.

” Some scientists believe that in the 21st century, average global temperature could rise 2. 2 to 10 degrees Fahrenheit [1. 4 to 5. 8 degrees Celsius].

Warmer temperatures are expected to cause other problems. Snow cover in the Northern Hemisphere has been decreasing.

A 1, 250-square-mile [3, 250 sq km] ice shelf in Antarctica collapsed in early 2002. Sea levels could rise significantly in this century. Since a third of the world’s population lives near the sea, this could eventually result in loss of homes and farmland. It could also cause great difficulties for coastal cities.

Scientists believe that higher temperatures will result in increased precipitation, with a greater frequency of extreme weather.

Some feel that severe storms like the one that took 90 lives and ruined 270 million trees in France in 1999 are just precursors of things to come. Other researchers feel that climate changes will result in the spread of diseases such as malaria, dengue, and cholera.

The example of the motor vehicle shows how complex the results of technology are—inventions that are helpful for people in general may cause

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a multitude of related problems that affect multiple areas of life. True is the statement of the Human Development Report 2001: “ Every technological advance brings potential benefits and risks, some of which are not easy to predict.”

Technology itself is often looked to for solutions to environmental problems. For example, environmentalists have long decried the use of pesticides.

When genetically modified plants were produced that would reduce or eliminate the need for pesticides, it looked as though technology had provided a good solution. However, in the case of Bt corn, which was designed to control stem borers without pesticide, tests found that it can also kill monarch butterflies. Thus, “ solutions” sometimes backfire and can result in additional problems.

**THE ROLE OF THE GOVERNMENT** Since destruction of the environment is such a huge problem, a successful solution would require the cooperation of the world’s governments.

In some cases governmental representatives have commendably displayed the courage necessary to recommend positive changes that would help the environment. However, real victories have been few and far between. An example of this is the international summit that took place in Japan in 1997. Nations haggled and disputed over terms of a treaty to reduce emissions that are said to cause global warming.

Eventually, to the surprise of many, an agreement was reached. This agreement came to be called the Kyoto Protocol. Developed regions, such as

the European Union, Japan, and the United States, would cut emissions by an average of 5.2 percent by 2012. It sounded good.

However, in early 2001, the U. S. government indicated that it was abandoning the Kyoto Protocol. This has raised many eyebrows, since the United States, with less than 5 percent of the world's population, produces about one fourth of the emissions.

Additionally, other governments have been slow to ratify the treaty.

The foregoing example shows how difficult it is for governments to come up with meaningful solutions. It is difficult to get various governments together, and it is difficult for them to agree on how to tackle environmental issues.

Even when agreements are signed, some parties later back off from commitments. Others find the agreements difficult to enforce.

In other cases governments or corporations feel they cannot accept the expenses involved in cleaning up the environment. In some places it simply boils down to greed, as powerful commercial giants exert strong influence on governments not to implement measures that would eat into corporate profits. Businesses and corporations have been known to want to get the most they can from the land without regard for future consequences.

To complicate matters further, not all scientists agree on how drastic the effects of pollution of the earth will be. Thus, government policymakers may be unsure about how far to go in restricting economic growth in order to control a problem that may or may not be as big as some think.

Humankind is in a real fix. Everyone knows that there is a problem and that something needs to be done about it. Some nations are putting forth a conscientious effort, but environmental problems are, for the most part, getting worse. Is the earth simply destined to become unfit for human habitation? GOING BACK TO THE BASICS

One of the primary themes of the reading produced by the Harvard Business Review is that of the fact that there is now a huge need for humans to go back to the basics. What does this particularly mean? People are accustomed to making use of what they have around them.

The contentment in life that the people back then felt provided them the chance to live longer and stronger. Obviously, even though they were not assisted by technological innovations yet, they were able to follow the apprehensions of life as they were well nourished and lived in clean communities that are able to give them the calmness and the health that they need to survive the different challenges that they are supposed to face. This is the primary reason behind the suggestion of going back to the basics. Returning to being green [or one with nature] is the only solution that experts right now view to be rightfully true. Dealing with chronic problems brought about by the different stresses brought about by jobs and other curricular activities that human engages themselves with.

It is believed that as humans go back to the green system of which they are actually accustomed to live with, they are also expected to regain strength as well as inspiration from Mother Nature to function better in their own given line of responsibilities. The question though is that, how far is the

Going Back to Nature going to take the human society today? Obviously, humans need cars for transportation. Although it has been noted through the years that these machines of transportation contribute too much pollution, people cannot simply live without them. They are noted to be one of the most essential technological innovations that humans need today. What of factories and other facilities that omit gaseous substances that serve as huge contributors to the atmosphere's depletion? Sadly, all these elemental facilities are needed in the society today.

This is the reason why the development of establishments with own rooftop gardens and inside “ green environment” is being pursued today by many specialists of the matter. Likely, the process involves the development of establishments that are capable of funding a more nature-friendly environment. The question then to be asked is that are the industries today all ready to face the said needed change for the sake of establishing a more green friendly system of business operation through their establishments and the policies that they are supposed to make to be able to come up with more effective process to survive the challenges of both globalization and the need to serve the environment?

#### GOING GREEN IS NOT EASY

Of course, every change amounts to a certain financial equilibrium. This means that every establishment that would be agreeing to the said changes would have to be ready to pay for the different options that are to be presented to them.

Likely, the process is quite complicated if seen directly through the eyes of the ones trying to imply the said establishment features. True, going back to the green system is not that easy. It actually means so many adjustments to the administration of the said business organizations, however, the returns of the said investment to the green business are indeed worthwhile for the supposed “ risk” that is to be taken by the business owners. One particular benefit as noted through the earlier discussions in this review is that the employees are sure to perform better since they are to become more capable of handling work in a more effective way because of better health and calm environment that they have. Aside from this, as a whole, the entire approach actually gives huge returns not only to the business organizations themselves but to the entire human society as well.

### Summary

From this particular review, it could be observed that the entire reading actually note the need for the modern society to be returning back to the green systems. Going back to nature may indeed cost an equal amount of money, but the results of betterment of business systems and environmental improvement are all of the worthwhile results that could be yielded from this innovative approach in establishing business facilities around the metropolitan regions all over the world.

### Reference:

Harvard Business School Press. (2007).



Harvard Business Review on Green Business Strategy. Harvard Business School Press.