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Strategic leadership in the context of globalization and regionalization

MANAGEMENT AND MARKETING SECTION

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GREEN STRATEGY – BROWN CULTURE?
COORDINATION TOOLSET AND ORGANIZATIONAL
CULTURE IN THE SERVICE OF ENVIRONMENTAL-
CONSCIOUSNESS

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Abstract
Environmental-conscious organizational behaviour is a key of the 21st century. The
objective of our OTKA-Research is the analysis of the components, the level and the
development opportunities of environmental-consciousness. To be able to draw a
complex picture we pay attention to the organizational culture as well. Results show
that Hungarian organizations have competent background. Some of the special
environmental tools are known and used by wide range of the organizations but in
general the toolset must be developed. Rethinking and reengineering the
coordination methods may cause much better environmental performance.

Keywords
environmental performance evaluation, organizational culture

1. Components of environmental-conscious behaviour

Environmental-consciousness is not the only way of establishing a
better life. Greener products, new technologies are necessary but their
advantages will be not successfully used without adequate behaviour
patterns.

Environmental-consciousness can be defined as a behavioural approach
of entities, showing higher regard for environmental and natural
problems and for solving them. Environmental-consciousness is the
indicator of the “quality” of actions and decisions. The quality in this
definition means the presence of environmental interests and values.

Two dimensions of environmental-consciousness could be defined:
• individual dimension;
• organisational (corporate) dimension.

Individual differentiates the people. They choose environmentally-
friendly products. They bring up and use products and
consumers have direct usage of products and

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• factual knowledge;
• emotional perception;
• disposition to act;
• action.

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• knowledge;
• attitudes and values;
• aiding toolset;
• disposition to act;
• action.
Figure 1. Components of environmental-consciousness

Knowledge has two co-ordinate parts. It contains the knowledge of the individuals and the organisation, as well. Individual knowledge means environmental and factual information of leaders (managers) and workers. Information about the status of the environment and effects of activity on the environment is important, for becoming able to optimise the environmental performance. Environmental information help to answer the “What to do?” questions, whereas factual knowledge the “How to do?” questions. One must differentiate the knowledge of management from workers. Both are important, but it must be considered that they have different opportunities. Workers may have brilliant ideas, but they do not have any authority for making changes happen. Leaders are the ones who can do that.

Organisational knowledge is not just a sum of the individual ones. We have to calculate on synergic effects, too. Know-how descriptions, internal statistics and reports, the solutions of IT-background, results of team-work etc. are examples for knowledge-elements, which derive not directly from the individuals.

Environmental management has many functions in connection with the knowledge:
- measure the state of knowledge;
- discover the fault and/or critical information and activity;
- harmonize environmental and factual information;
- harmonize the information of management and workers;
- establish and develop the knowledge-base.

Attitudes and environmental-conscious managers and workers kind of role they play well. Both leaders alternatives to choose, set of values. If well then the role of value technocratic coordinate problems, which are there are no detailed in this case the role of value developed, enviromne and workers and the value of environmental domain.

Aiding toolset i consciously and being organisations, their role the quality of structure the moment, but orga point of view the tools:
- special environment standards for evaluat effect-analysis;
- other elements of team-work (from the b
- the application organisations:
  - to explore envi
  - to work out poss
  - and simultaneous human elements.

The forth element from knowledge, sh: Disposition is a good will improve only in disposition. follower of enterprises can be a case of low interes environmental favours.
Attitudes and values are the "soft", cultural elements of environmental-consciousness. A distinction can be made between the managers and workers' values and attitudes from the point of view what kind of role they play in the organisation, but there is a similarity, as well. Both leaders and workers make decisions. When one has alternatives to choose, the quality of the decision will depend on his/her set of values. If well-structured, operative decisions are under focus, then the role of values (culture) is less important. Devices of the technocratic coordination can solve these problems. But there are problems, which are not well-structured. For solving these problems there are no detailed instructions, the possible outcomes are unknown. In this case the role of values is determinant. Attitudes and values can be developed, environmental values can change the mindset of managers and workers and the whole organisation, as well. This process is called environmental domestication.

Aiding toolset is the next key-element of working environment-consciously and being able to develop this way. If we talk about organisations, their role is crucial. Our hypothesis in our research is that the quality of structural aiding of environmental-consciousness is low at the moment, but organisations have considerable reserves. From this point of view the toolset can be divided into two parts:

- special environmental elements (e.g. greener production projects, standards for evaluating environmental performance, environmental effect-analysis);
- other elements for aiding problem-solving individually and by team-work (from the brainstorming-techniques to QMS in a wide range);
- the application of team-work techniques will help the organisations:
  - to explore environmental problems and attitudes to them;
  - to work out possible ways of solution;
  - and simultaneously develop the environmental sensitivity of the human elements.

The forth element is the disposition to act. Disposition derives from knowledge, shared values, attitudes and the structural aid. Disposition is a good start, but not enough. Environmental performance will improve only in case of actions. Why it is not obvious is that disposition is followed by actions? Shortly the economical-mindedness of enterprises can be mentioned. Because of the favour of profit, or in case of low interest of leaders and owners the fulfilment of environmental favours will be damaged. This means that there is another
critical point. Building up an accurate interest-system is essential for becoming environmental-conscious. Establishing and developing environmental-consciousness is a long process. In this process negative feedback has a very important role. Results of the actions enlarge the knowledge base, and it makes changes in attitudes. If not enough attention is paid to the importance of feedback, the consciousness will not be developed and controlled in an effective way.

2. Complex evaluation model of environmental-consciousness

Environmental performance has many non-technological components. Above machinery, materials and waste there are other important factors, like organisational structure and culture, the characteristics of management system, the knowledge of management and staff, the business environment, the accessible applications, the governmental system etc. Taking it into consideration one will be able to draw a complex picture of organisational performance.

To be able to evaluate an organization it is necessary to work out a methodology which:
- is acceptable for wide range of organizations (small and large ones at the same time);
- pays attention to all strategically important fields;
- makes organizations comparable;
- supports the development of environment-conscious behaviour.

The proposed model is based on the evaluation framework of the EFQM Excellence Model and the ISO 14031 standard on environmental performance evaluation. The standard measures three main factors:
- charging the elements of environment;
- the caused changes in the condition of the elements;
- actions for achieving a higher (better) level of environmental performance.

Three main groups of factors of evaluation can be defined related to environmental-conscious operations:
- background-elements;
- objective-elements;
- result-elements.

Background is similar allocation of resource and answers for “Why?”

Background and result which are relevant environment and work

upon the effects of the environment. It includes positive changes in

without working.

Background-elements:
- Cultural background of staff;
- Strategic thinking;
- Structural background.

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ological components. Other important factors are characteristics of certain and staff, the 米, the governmental, il be able to draw a necessary to work out a...us (small and large ones) at fields; conscious behaviour. Conversation framework of the andard on environmental three main factors: elements: level of environmental ion can be defined related

- result-elements:
  Background is similar to enablers in EFQM. It measures the quality of allocation of resources and cultural questions which help to explain the answers for “Why?” questions. Objectives play a linking role between background and results. Objectives collect goals and ideas for realization which are relevant for the organization decreases the change of environment working more conscious. The result-elements touch upon the effects of the performance on workers, the society and on the environment. It includes the business-results as well, due to the fact that positive changes in environmental performance are not sustainable without working.

  Background-elements mean the following:
  - Cultural background (Shared values, Character of leaders, Character of staff);
  - Strategic thinking;
  - Structural background (Technological background, Partnership, Management system, Information-system).

  The first and very important background-element is organizational culture, which will be discussed in details later on.

  Knowing the shared values and the personality of leaders and staff makes it easier and more effective to ground actions and strategies. One can find answer for the quality and possibilities of environment-consciousness if we additional attention is paid to organizational culture. Culture can be defined as “The way we do things around here” or “The glue that bonds the company together”.

  Strategic thinking does not measure the content of the strategy, but its methodical background and the ways how strategy will be known and accepted.

  The structural background means the “hard” element. There are measurable, descriptive factors which have their effect on environmental performance. The level of applied technology establishes the basis of analyzing advantages and disadvantages of cleaner solutions. Partnership scans the number and quality of connections between the organization and its co-operators. Management and information systems are important supporting tools if you want to establish environment-friendly (friendlier) work processes and to achieve better results.

  The fourth element is organizational objectives. These objectives represent the content of the strategy. Strategic and operative plans are needed for each relevant elements of the environment. At this point,
differences between the organizations should be considered. It is obvious that a company with 10 workers will not have detailed index-numbers and it is not expected. But even a small organization must be able to distinguish the main characteristic where it influences the condition of the environment.

From the fifth to the eight factors are the result-elements:
- Effects and results on the environment;
- Effects and results on society;
- Effects and results on staff;
- Business results.

The role of environment is obvious. The society as an element is also considered in a broader sense regarding environment-protection (i.e. sustainable development). The most interesting – doubled - role we can mention at point of the staff:
- because they have direct effect on the organizational performance;
- staff means people who are members, elements of the environment, too.

This is why we should pay special attention to their level of satisfaction.

3. Organizational Conscience

The basis for organizational culture is the company wall-new.

As a theorist of Organizational Culture for the implication regarding environment dilemma of environment here significantly. In how much are these challenges. These are individual - and organ to understand what to consciousness. More responding to internal

The three level are illustrated as well:

1. **External Survival**
   - environmental conscience standards and systematic consciousness. However, supported by the deep

2. **Internal Integration**
   - for the employees. Different environmental conscience promotion influenced good guy at the company.

3. **Deeper Understanding**
   - which is carried by Deeper understandin surrounding world in Kroeber and Kluckhoh and subjegation cultur

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Figure 2. Model of organisational performance evaluation
3. Organizational Culture and Environmental Consciousness

The basis for environmental conscious behaviour is a supporting organizational culture. However it is very often not more than a note on the company wall-newspaper.

As a theoretical framework the revised model of Schein’s Levels of Organizational Culture was used. This model seemed to apply the best for the implication of the different levels of organizational culture regarding environmental consciousness. The social- and managerial dilemma of environmental consciousness versus profitiability is reflected here significantly. In this model the levels of culture are distinguished by how much are those "the right responses" to external or internal challenges. These successful responses will then affirm as the correct individual- and organizational behavioural norms. However it is not easy to understand what to be considered successful in case of environmental consciousness. Moreover are the right responses in harmony when responding to internal and external challenges?

The three levels are the following, environmental considerations are illustrated as well:

1. **External Survival Issues**: it seems the easiest level to demonstrate environmental consciousness. Strategy, corporate policy and quality standards and systems all work in favour of environmental consciousness. However this level of espoused values is not necessarily supported by the deeper level.

2. **Internal Integration Issues**: this level has the strongest application for the employees. Does the organization really appreciates and values environmental conscious behaviour? Is it true when the profit vs. environmental conscious dilemma arises? Is individual career and promotion influenced by these seemingly contrasting values? Who is the good guy at the company anyway?

3. **Deeper Underlying Assumptions**: the level of national cultures, which is carried by the individuals regardless of their organizations. Deeper understandings and assumptions about nature and the surrounding world in general. The works of Kluckhohn (1951) and Kroeber and Kluckhohn (1952) are used here, when mastery, harmony and subjugation cultures are distinguished.

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<td>Environment</td>
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<td>Society</td>
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<td>Staff</td>
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<td>Business results</td>
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**Performance evaluation**
4. Empiric Research of Environmental-consciousness

An empirical study is underway at the Institute of Management Science at the University of Miskolc, which focuses on the current level of environmental consciousness of organizations and development possibilities, considering the cultural characteristics of those organizations.

Hungarian organizations were included in the study enterprises, non-profit organizations, and local governments as well. The questionnaire was based on the following fields of environmental performance:
- strategic planning processes
- characteristics of HRM
- the implementation of co-ordination tools
- the advancement of management systems
- features of stakeholder relations.

The questionnaire was sent to 150 organizations and 92 have responded. 81 questionnaires were considered valid for processing. To examine the characteristics of different types of organizations, the basis for grouping was activity, size, and region. Furthermore, the type of activity was defined as production, service, and public service organizations.

The following hypotheses were set about the environmental consciousness of Hungarian organizations:
1. The environmental consciousness of organizations is on a low level. This is derived from the following factors:
   a. Organizations do not possess enough information about their environmental performance and the development opportunities
   b. Organizations have no or limited access to financial resources supporting environmental consciousness
   c. Therefore, there is no real motivation for organizations for development
   d. Strategic consciousness is lacking, so as internal and external partnerships for collaboration
2. Organizations have significant structural-co-ordination and informational potential for the development of their environmental performance and environmental consciousness; however, the usage of devices is on a low level.

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3. There is a correlation between the elements of organizational culture (shared values, leadership style etc.) and the level of environmental consciousness and the related potentials.

4. Organizational characteristics could serve as basis for grouping regarding environmental consciousness.

5. Other characteristics could serve as basis for creating homogenous groups, like organization size, type of activity, geographical-regional features, and financial resources.

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