THEY TALK THE TALK, BUT DO THEY WALK THE WALK? TO WHAT EXTENT DO ENTREPRENEURIAL ORGANIZATIONS IN GERMANY AND NEW ZEALAND PRACTICE SUSTAINABILITY?

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Principal Topic

We review the level of acceptance of sustainability principles among German and New Zealand entrepreneurship firms by using a uniform global survey tool which is in operation in several countries.

Methodology/Key Propositions

The term “Sustainability” increasingly focuses management thinking on long-term planning and the value of future business stability, and through governmental encouragement and stakeholder pressures, can shape managerial decision-making of modern enterprises. Public debates have ensued, extending the once single-dimensioned emphasis of management on monetary profits, to the consideration of social and environmental factors which might play relevant roles in corporate management. Bosselmann (2002) observed that the idea of sustainability has “inspired, environmentalists, development experts, business people, unionists, church members and human rights activists, as much as ordinary citizens”. Jayne (2004) recognised that sustainable business is moving beyond fad and fringe and into everyday management life, with a questioning of whether companies should care that their activities add to, or subtract from, the sum total of human happiness or environmental health. We therefore expect the long-term vision of business leaders to now not only include a sustainable and ecologically responsible product mix, but also to implement resource-conserving production processes, sustainable relationships with customers, suppliers and stakeholders and enduring relationships with staff, who can share the values for which their employer stands (Mueller, Klandt, McDonald, Finke-Schuermann, 2005). In a more traditional definition, sustainability is the act of exploiting natural resources without destroying the ecological balance of a particular area through global resource depletion and environmental pollution (Demirdjan, 2005). Activities that consume too many non-renewable resources, produce too much pollution, or harm people aren’t sustainable in the long run (Clikeman, 2004). Arguments are made that prior sustainability discussions were too narrowly focused on resource conservation (Mueller, 2005), and we are concerned with the possible delay of extending the application of sustainability practices broadly within firms that are not prima facie polluters or physical resource users. We are mindful that a large majority of business in industrialized ‘first world’ countries are no longer overt resource users. They do not fell trees, strip-mine the land or belch toxic fumes through tall chimneys. Our concern is that managers in these ‘clean’ businesses
may not be sufficiently informed as to the application of sustainability characteristics in their firms and, thus, may disconnect from an engaging discussion of this issue. We know that even “white collar” businesses use resources, affect climates and create waste. Rather than adopting the general notion that sustainability relates mainly to physical resources, we support the suggestion that the concept of sustainable development is rooted in the management tradition, that is, it emanated from the professional management paradigm (Springett, 2003).

Several universities with an interest in sustainability research are distributing the International Sustainability Acceptance Measurement (ISAM) survey tool globally. The tool exists in 40+ languages for use in more than 90 countries (www.worldreply.com). In Germany, the Bifego Institute worked together with the Hessian Technology Foundation (TSH) to distribute the ISAM survey, via e-mail, as a web survey, in German. In New Zealand, Waikato Management School and UNITEC distributed the survey, and a total of more than 400 responses are reviewed for both countries.

The tool reviews the level of acceptance of business practices usually found in firms with a strong focus on sustainability, i.e. staff involvement/empowerment, concern for the interaction with the environment, reporting with a Triple Bottom Line focus, etc. This effort attempts to separate practical applications from theoretical debate, by testing for the day-to-day use of these techniques.

Results and Implications

Managers in both countries viewed the direct influence of their firms’ activities on the environment as negligible, supporting the assumption that most firms are not motivated to apply sustainability principles because their firms are intense physical resource users. This response would presume a general disinterest in sustainability as an important issue, as sustainability, correctly or not, is often viewed as being closely connected to environmental resource conservation.

A large majority of managers in both countries were convinced that, for their own career, it will be important in the future to better understand sustainability. Many also considered sustainability as an important competitive factor within their industry, and we speculate that this perception might be a more compelling motivation to focus on sustainability practices, than public or government-led debates. Few firms had a formal plan for sustainability within their firm. Approximately 25% of the surveyed firms included sustainability information in financial reports and other company information, such as brochures and newsletters, supporting the presumption that firms attach PR value to sustainability reporting.

We believe these results allow the conclusion that in both countries entrepreneurial firms have no immediate plans for large-scale implementation of sustainability activities. Also while in some areas of management, for example employee motivation, firms attach high value to their corporate conduct, sustainability as part of a formal business plan ranks negligibly. In fact, in the vast majority of firms sustainability planning is not part of either strategic or operational planning. More talk than walk?

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