

SUCCESSFUL FACTORS OF GREEN MANAGEMENT IMPLEMENTATION

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I. INTRODUCTION

There is a tendency that shows the decreasing quality and quantity of natural resources and environment. Climate change occurs along with the thinning blanket of atmosphere. In addition, global warming becomes the result of natural resources that will impact on the externality of industrial waste and that will cause natural resources degradation and environment destruction.

Customer's care and awareness on environmental destruction have created new opportunity and new market for environmental friendly products. Fairfield and Benson (2011) stated that green economy can be performed in environmental efficiency development and environmental footprint reduction through energy conservation and emission, pollution and industrial waste reduction. Besides, we need to perform innovative product improvement, brand and market development. On the other side, government as a regulator has pushed proper green economy based on three forces, they are competitiveness, legitimation (to improve credibility or avoid the law) and social responsibility.

Meanwhile, there are some efforts that decrease the pollution increasing and to defend natural resources as a legal law and rule in many countries. Chien (2014) stated that to reduce natural resources, China has applied some regulations, such as; Environmental Impact Assessment Act, Air Pollution Control Act Noise Control Act, Water Pollution Control Act, Marine Pollution Control Act Waste Disposal Act, Resource recycling Act, Soil and Groundwater Pollution Remediation Act, Enforcement Rules, Toxic Chemical Substances Control Act, etc. Although, there are some regulations in China, the implementations of these acts for related organizations are diverse. Organizations in Taiwan have experienced income decreasing as a result cost increasing when they implement environmental management (Chien, 2014). Similar statement also said by Brooks (2005), that environmental management implementation needs a great cost and this condition is not in balance with financial aspect improvement.

Roy and Gosh (2011) in their study on organizations in Asia showed that economic performance and environmental reporting difference do not have significant relationship. Furthermore, their study showed that

environmental practice and environmental reporting have negative relationship. On the contrary, various studies do not show clear trend about voluntarily environmental reporting and dependence on economic performance. It supports Zhu and Sarkis (2004) that stated organizational size do not have an impact to environmental performance. Meanwhile, environmental performance is really influenced by GSCM practice. In general, environmental practice will positively and negatively impact on their relationship. Aggarwal (2013) stated that the relationship between environmental practice and economic performance have a positive impact (8 studies), negative impact (3studies) and various (5 studies). It can be concluded that the relationship between environmental practice and financial performance is positive. It is based on environmental implementation that will impact on the relationship among stakeholders, reputational improvement labor dependence, cost reduction and efficiency improvement as well as capital access improvement.

Different opinion stated by Cormier and Magnan (2007). They stated that the result of environmental practice showed positive and significant impact on economic performance (Soubhia , Jabbour, 2015) for organizations in Germany. Yet, for organizations in France and Canada, environmental practice does not give positive and significant impact. In general, for environmental reporting, it will impact on share price increasing. Oba, Fodio (2012) in their study showed that organizations in Nigeria found out that there is a positive relationship between environmental responsibility and financial performance.

According to Schaaltegger and Synnstedvt (2002), the difference in the result of green management implementation is caused by different theoretical field which is used to view the relationship between economic performance and environment. Environmental and economic performance will be determined by the way of organizational implementation and its achievement based on green management explanation. Hart (1997) stated that there are three steps to reach continuous environmental management: (1) pollution prevention, an effort to solve and overcome environmental externality before the pollution occurs, (2) product stewardship, an effort to manage environmental externality and its impact in continuous product, (3) clean technology. Zhu and Sarkis (2004) stated that the success of environmental management implementation is not only influenced by organizational relationship but also its environmental management itself. Brito (2008) stated that the measurement of organizational performance must be changed through reorganizational movement which is suited with its new target to overcome the problems. Luthra, Garg (2013) stated that successful

organization in running environmental management will provide contribution to the development of organizational performance, and they will surely have capable partner to reduce environmental impact without increasing cost and lowering product quality. Gupta (1995) stated that the impact of a product on an environment does not happen only once but it will happen as long as the products life cycle. In this condition, environmental management is not individually performed but it will become a relationship among organization, customer, partner, government and the stakeholder (Gupta, 1995; Hart, 1997). When environmental management becomes communal responsibility, Green Supply Chain Management (GSCM) will become a solution to reduce environmental impact. It will involve with the entire supply chain (green Zelbst, 2012). It is supported by Vachon and Kalssen (2007) who stated that the concept of green supply chain is a general activity that will be used in an organization to minimize its impact on natural environmental. Supply chain has a role to keep and maintain business sustainability by developing organizational ability which is based on information and external environment. Srivastava (2007) stated that the reduction or elimination of dangerous pollution such as dangerous chemical material, emission and energy can be performed as long as SCM will always repair product design, raw material both from its source and product distribution to end customers. Yet, the implementation of environmental management is not that simple, the environmental implementation of GSCM consists of two phases: they are strategic and operational phase.

Based on the explanations above, there is a research gap which is related with environmental management practice. Some previous studies found out that environmental management practice will bring negative impact (Roy and Ghost, 2011, Braymer, Brooks, 2005)), meanwhile the study (Cormier and Magnan, 2007) and Oba Fodio (2012) found a contrary results. Unmanaged environmental degradation and destruction will impact in organizational performance (Aggarwal, 2013). Meanwhile, Gonzales-Benito and Gonzales-Benito (2005) stated that the different result in implementation measurement of environmental management practice is caused by 1) proceeding environmental practice and 2) organizational performance measurement.

Besides, Gonzales-Benito and Gonzales Benito (2005) also stated that the implementation of environmental management practice can only be seen in a stage that shows the process of environmental management which is running in an organization and we can see the direct impact of it on organizational performance. The research problem is: How to measure the

environmental management practice so as to bring positive impact on organizational performance?

This study aims to formulate on how the implementation of environmental management practice that will positively impact on organizational performance. Therefore, we will use balanced scorecard as tool to measure the relationship between environmental management and organizational performance. Kaplan and Norton (1996) stated that a thing cannot be vividly measured will bring difficulties for us to manage. Besides, Zhu and Sarkis (2008) stated the importance of research related with the implementation of environmental management practice.

II. METHOD

This study uses qualitative approach as its method and organization as its research object. Purposive sampling method is used based on criteria that an organization gets a green or golden rating from PROPER measurement. Triangulation will be used as many sources to research object. Therefore, documentation and observation are also performed as a material to perform analytical tool and result discussion.

Table 28 Respondent

No.	Responden Penelitian				
	Perusahaan	Pengajuan	Tanggapan	PIC	Jabatan
1	The Body Shop	√	Diterima	Kukuh	Humas TBS
2	PLTU Tanjung Jati	√	Diterima	Ika Safitri	Manajer Lingkungan
3	Unilever Ind	√	Diterima	Maya Tamimi	Head Sustainabel Department
4	Biofarma	√	Tdk Dijawab		
5	Nokia Int	√	Tdk Dijawab		
6	Hotel Sopyan	√	Tdk Dijawab		

III. RESULT AND DISCUSSION

The success of an organization to perform environmental management or green management really depends on organizational achievement from this project. When organizational green management is only pushed by a desire to fulfill government rule, the implication of running green management will only reach lawful aspect and it won't touch economy or incentive aspect that will be got from organizations and the implementation of green a management. On the other side, green management organization as a way of live from an organization which applies it, will make it as a proper tool to win

the competition that will finally impact on economy performance and organizational innovation.

Besides, organizational success in running green management program is also determined by the scope of green management itself. Green management consist of three aspects, they are sewage management, energy saving and green building. These three aspects are separated, these three aspects aims to keep natural resource both in a way that reduce the use of natural resource and maintain natural resource. When an organization needs to reduce production cost that will push low cost strategy, an organization needs to review the use of unwanted energy in an organization by designing a cost saving building or searching more efficient production process from both the uses of energy source and dangerous waste that will endanger the existing natural resource. It is performed by PT PLNTU Tanjung Jati.

Organization's serious action to perform green management program will be reflected in how an organization allocate its budget on the action. When an organization evaluate that green management becomes strength of an organizational or product, the position and unit rate as the performer of green management in an organization will be a reflection to measure on how an organization reflects this thing. When organizational structure does not have responsible unit to perform green management program, the elimination from the program will only be seen on legal aspect to evaluate organizational obedience of government rule. It will not reach the economy implication and organizations' competitiveness. Organization that implicitly states their responsibility as green management performer in their organizational structure will cover economy, and social cultural aspect. The higher this responsibility in an organization the larger its allocated budget to perform this program and it will finally demand a larger result from running budget.

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