

# MOTIVATION OF PERSONNEL FOR MORE ENVIRONMENTAL PROTECTION IN PRACTICE

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The damage done to the environment in the Federal Republic of Germany is put at DM 103,500 million per annum. In the European Community as a whole, the annual rate of damage is at least equivalent to the gross national product of a country the size of Belgium-quite apart from the kind of damage which is at least as serious, but which cannot be expressed in money terms.

These facts call for action on the part of everyone. The working energy of the entrepreneur is already subject to a great deal of pressure from competition, taxation issues, wage negotiations and structural change. Nevertheless, environmental protection in the Federal Republic of Germany is more and more becoming a matter for top management.

## **I.Motives of Industry for Environmental Management**

### **Conservation of the natural environment**

Industry-along with the energy sector, transport, agriculture and private households-is one of the prime causes of environmental pollution. The damage caused by spectacular large-scale disasters (Seveso, Bhopal, Chernobyl, Basle, etc.) is relatively minor in comparison to the sum total of damage caused by a large number of smaller polluters-all of them complying individually with the legal norms.

Our economies are faced with the new challenge of going beyond their traditional provision of goods and services to play a major part in conserving and cleaning up the environment. They can successfully meet this challenge only if the individual business units embrace the ideals of environmental protection, firstly by complying with the legal requirements and secondly by going beyond this on a voluntary basis to implement environmental management. However, a voluntary approach on the part of industry does not exonerate politicians from their duty to tighten up emission limits at regular intervals, and to modify the conditions of our market economy in such a way that maximum economic success can be achieved only by maximising the environment friendliness of products and services.

Regardless of whether they are motivated more by egoism or altruism, entrepreneurs who think on a long-term basis must strive for the conservation or restoration of a sound environment by implementing environmental management. The egoistical view is that the natural environment is a "source of human and material resources", needed to keep the company operational in the long term. Conservation of the natural environment may also be perceived as a necessary means to secure a public consensus in favour of the market economy and business for the future. And finally, environmental protection is essential if the human race-including the entrepreneur himself and his family and future generations-is to survive in the long term in conditions that make life worth living.

The altruistic view is that the natural environment is a part of creation, as such commanding respect and worth conserving for its own sake. People who simply dismiss the idea that entrepreneurs may be guided by altruistic motives are prisoners of their own prejudices.

Some entrepreneurs underestimate either industry's threat to the environment or the contribution they can make to conserving or cleaning up the environment. In either case, carefully directed information to the entrepreneur may help to motivate him for environmental management. Entrepreneurs who are familiar with concrete programmes of action to reduce the pollution of the environment while maintaining or promoting the interests of their company are less likely to put their heads in the sand and forget the uncomfortable facts about environmental pollution.

### **Boosting business success**

Environmental management can promote company success in two different ways-by giving opportunities and by reducing risks.

It can provide marketing opportunities, enabling the company to adjust to the environmental awareness of customers in good time by developing new products. An environmental image may also benefit the company in the labour market by attracting young people to join the company-this will be increasingly important in the future, with the approaching shortage of young people entering the labour market. In the production sector, the company can benefit from cost advantages by energy, water and raw material savings.

The company can reduce market risks by replacing environmentally harmful products by alternatives, before it is faced with a legal ban or sudden changes in consumer behaviour. In procurement, production and waste "disposal", the company can apply risk management to eliminate the danger that directors, department managers and other staff could be sued for liability under criminal law, with all the damage this does to the company image, and that the company might incur environmental liability under civil law, costing millions and ruining the company, with consequent job losses.

There are plenty of practical examples to show that a corporate strategy which includes environmental protection can boost business success - at least in the long term.

One example of this is the Edelhoff company in Iserlohn, which successfully expanded its activities from pit and sewer cleaning to refuse collection and municipal cleaning, the disposal of domestic waste and hazardous waste from industrial companies; another is the Viessmann company in Allendorf, which achieved market success by developing low-emission, low-temperature boilers; or the paper manufacturer Temming in Gluckstadt, which gained market shares by promoting recycling paper for office communications; or Fehring in Bielefeld, which successfully discovered and developed the waste wood market. The list could be extended almost at will. One more example is the initiative of a group of students, who set up a bicycle messenger service to compete with the express taxis by beating the traffic jams.

There is also a long list of companies that failed to adopt an appropriate environmental policy. They missed market opportunities, lost market shares, or else suffered heavy losses from restriction of their operations following environmental accidents.

Of course, commitment to environmental causes and business success do not always run parallel. Often considerable investments are needed to comply with the legal requirements, especially if a company aims to do more than the law requires; and this will be reflected in the bottom line. But there are many cases - and this is not always realised - where the necessity of meeting environmental requirements can be turned into an opportunity for business success.

## **II. Nature and Aims for Environmental Management**

### **Philosophy**

The concept of environmental business management can enrich and strengthen the corporate philosophy, and help to attain the classic corporate goals (in so far as they do not conflict with environmental aims).

The fundamental principles for the long-term success of a properly and responsibly run company are Quality, Creativity, Humanity, Profitability, Continuity and Civic Responsibility. All six are easier to comply with if management follows an environmental line:

Quality and the environment. A product can only be said to be high-quality if it is produced in an environmentally acceptable manner and if its use and subsequent disposal are not harmful to the environment.

Creativity and the environment. The creativity of the company's workforce can be encouraged by working conditions which promote people's physiological well-being, e.g. low noise levels at the workplace, healthy air temperature and humidity levels, ergonomically designed office furniture and vitamin-rich food in the canteen.

Humanity and the environment. The general working atmosphere can be made more "humane" if corporate goals, strategies and activities are motivated not only by economic purposes, but also to a sense of responsibility vis-a-vis all forms of life.

Profitability and the environment. Company profitability can be improved by adopting cost-reducing environmental protection measures, e.g. raw materials and energy - and water-saving programmes, and by exploiting market openings for environmentally sound products.

Continuity and the environment. In the interests of continuity, it is becoming more and more important to make sure that the company is not adversely affected by liability risks under the increasingly stringent environmental legislation and by the market risks resulting from the fall in demand for environmentally harmful products.

Civic Responsibility and the environment. In the final analysis, the managers and staff of a company can only show civic responsibility if they have a genuine sense of loyalty to the laws and aims of the state, and that in turn is only possible as long as the country has not defaced its own landscape and architectural heritage by environmental pollution.

### **Action programme**

Environmental management aims to run all functional areas and levels of the company in such a way as to maintain or enhance its economic success while at the same time promoting environmental protection. Some companies are already implementing many of the following recommendations:

1. Familiarise the management team-where necessary-with environmental perception, thinking and action.
2. Incorporate environmental protection into the corporate goals and strategies.
3. Exploit the opportunities and eliminate the risks from environment-induced market trends.
4. Create in-house environmental protection institutions (e.g. an environmental officer, an interdisciplinary environmental protection committee) and appoint suitable members of the staff to manage them; set up an environmental reporting and control system.
5. Promote environment and quality consciousness in the workforce by a balanced mix of incentives (e.g. environmental suggestion scheme) and training.
6. Create humane working conditions in the factories, offices and other workplaces.
7. Provide good canteen food, including organic produce.
8. Promote environment-conscious behaviour and health of employees by environmental counselling in their private households (e.g. on savings in electricity, water and detergents; avoidance of toxic substances in the home; waste disposal; choice of consumer goods).
9. Reduce costs and help the environment by programmes to save energy and water.
10. Develop ecological products to meet the demands of the marketing department, or to mobilise the marketing department for environmental actions.
11. Add the "environmental impact" element to conventional purchasing criteria; wherever possible, replace environmentally damaging substances or raw materials.
12. Reduce pollution and waste disposal costs by advanced production technology.
13. Reduce pollution and material costs by recycling, and ensure that waste is properly disposed of.
14. Select and equip company vehicles with a view to environmental considerations; promote environmental awareness in driving.
15. Construct and maintain office and factory premises on environmentally sound principles (including concept, design, technical fixtures and fittings, daylight and artificial lighting, and selection of building materials).
16. Make use of public funding for environmental protection measures and ensure a healthy financial situation-which is essential for implementation of other, wholly self-financed actions.
17. Ensure compliance with environmental protection laws and official regulations on an organisational, staffing and financial level; consider environmental aspects when negotiating contracts (e.g. with suppliers, contractors, waste disposal companies, staff).
18. Systematically identify and insure against unavoidable and incalculable risks arising from environmental damage to the company or third parties.
19. Ensure that media coverage of the company's environmental work and pilot projects is impactful-and accurate-in order to induce an environmentally beneficial copycat effect and to enhance the company's public image.
20. Extend environmental management principles to exports, imports and foreign subsidiaries (e.g. ensure that foreign subsidiaries comply with the stricter emission limits specified for the parent company).

An integral environmental approach incorporating most of the above elements was developed at the Winter diamond tool company in Hamburg.

The "Integrated System of Environmental Management" (Winter model) has produced a number of pioneering projects (e.g. the first factory built on systematic ecological principles), which have encouraged many businesses to show increased commitment to the environment. Many elements of this management model are becoming increasingly established in business practice and in initial and further training of management staff.

### **III. Motivation of Personnel for Environmental Management**

The following two checklists are intended for the entrepreneur who wants to get started in environmental business management. They suggest which priorities should be observed for staff organisation and psychology.

#### **Staff priorities**

Start with the "right" members of staff. Start environmental protection activities in departments where the managers are already committed to environmental protection; this will save many an uphill battle.

Recruit the "right" people. When recruiting new staff, do not just look at applicants' academic records and technical qualifications; you should also consider their knowledge, abilities and motivation in environmental matters. This will save time, money and effort on persuading and training staff later.

Delegate responsibilities to the "right" members of staff. The environment officer should be someone equally well qualified in ecology,

economics and psychology; this may save a lot "running repairs" later on.

Create the "right" organisational units. In large companies, it may be a good idea to set up "ecology centres" (similar to the idea of "profit centres"), responsible for managing and controlling their own ecological affairs; this is more efficient than a centralised organisation, and will help to prevent costly errors and cumbersome bureaucratic procedures.

Offer the "right" training courses. Develop initiative and "self-starting" in apprentice and staff training courses, both on conventional and environmental subjects; this works better than authoritarian regimes and constant control.

### **Psychological priorities**

Start with visible measures. Go for the more immediate and "visible" environmental protection measures first, e.g. if maintenance funds are limited, have the inside walls at workplaces painted with environmentally friendly paint; the outside walls can wait.

Start with measures which influence habits. Start with those measures which directly influence people's behaviour or have an "instructional" effect, e.g. replace conventional toilet paper with recycled paper, fit waste paper baskets with separate bins for plastic; leave more company-specific measures for later (e.g. growing ivy up the outside walls of company buildings).

Give priority to the more spectacular actions. Start with high-profile, widely applicable measures, e.g. equip the directors' cars with catalytic converters and write directors' letters on recycling paper.

Start with eye-catching actions. Start with eye-catching, original and emotionally appealing actions ("save the duck family"), or measures which tend to promote solidarity.

Start with actions that give "instant" economic results. Go for measures that provoke a positive response and deliver immediate economic benefits; these are better "motivational starters" than long-lead programmes. Start with the simple energy saving "tricks" before embarking on major energy saving investments with a longer pay-off period.

Start with a consensus programme. Begin with the measures that are required by law and those that give economic benefits (e.g. dust filters and thermostats), as these are normally uncontroversial. Only then should you continue with economically neutral measures (e.g. publicise environmental information on the notice boards), since these might provoke psychological resistance. Leave the more costly measures till later (e.g. organising environmental seminars for trainees); they should not be started until key management staff have had sufficient time to develop genuine environmental awareness.

Take the hard ones later, and only if you can get a consensus. Don't be impatient. Don't immediately try to tackle the passive smoking hazard (an essential...but not yet!) by imposing a total ban on smoking. If you do, you may find that smokers close ranks and form a kind of in-house antienvironmental lobby. Take the strategic approach, and make gradual preparations for a consensus on this. Another example: do not impose these healthy alternatives gradually, offering people an alternative. Eating habits are a part of people's personalities and lifestyles, and they will resent undue interference by the company in this highly individual area.

## **IV. Intercompany Cooperation for Environmental Management (B.A.U.M.)**

It is advisable to draw on the experience of other companies for practical implementation of environmental policies; this may give ideas on improvement of operating results by taking environmental protection measures that quickly and easily reduce costs.

In Germany there is an association dedicated to the exchange of experience and know-how between entrepreneurs, managers and recognized experts experienced in the various areas of environmental protection in industry, namely B.A.U.M. (the German Association for Environmental Management). "Baum", incidentally, is also the German word for "tree"-an appropriate name for an environmental organisation. B.A.U.M. was set up in 1985 as a self-help organisation of environmental entrepreneurs and is the first association working for an integrated system of environmental management.

The goals of B.A.U.M. include the further development of the Integrated System of Environmental Management by the exchange of experience and research, the practical introduction of methods and measures of environmental management with members of the B.A.U.M. sponsorship group, plus widespread publication of the experience and ideas worked out jointly in business circles, including carefully targeted provision of information to the general public. These goals are pursued with the cooperation of chambers of industry, commerce and trade, with business associations, environmental organisations and educational and research institutions.

B.A.U.M. is a non-party, inter-sectoral, non-profit association, with over one hundred and seventy members-some are small and medium-sized businesses, others are large companies from all sectors of industry and commerce, such as AEG, Bosch-Siemens Household Appliances, Allgemeine Deutsche Philips, Commerzbank, Deutsche Bank, Dresdner Bank, Edelhoff, Elida-Gibbs, Gerling, Hewlett-Packard, IBM, Industriekreditbank, Lever, Nova Insurance, OBI, Oce Deutschland, Oetker, Versand, SCHLESWAG, TetraPak and Zweckform.

Apart from organising lectures and seminars, holding environment forums, working on research projects, promoting training models and providing consultancy services to companies and public authorities, B.A.U.M. concentrated mainly on the establishment of working groups and seminars to promote the exchange of experience in the key areas of environmental management.

The seminars run by B.A.U.M. at the present time include the following:

- The benefits of environmental materials management
- Opportunities of water and energy management
- Ways of reducing the liability risk
- Weakness analysis and crisis planning
- Benefits from ecological value analysis
- The goals and policies of environmental business strategies
- Corporate culture and public relations work
- Public subsidies for environmental activities in business
- Environmental building and renovation.

If new paths are taken in the company to reduce pollutant emissions or to find alternatives to environmentally polluting raw materials and operating supplies, these problem solutions can be transferred quickly and unbureaucratically to many other companies via the B.A.U.M. working groups and seminars, without jeopardising the confidentiality of company know-how which might be relevant for competitive purposes. There is a situation of give-and-take among the group members-who mostly come from practical industrial sectors-under the guidance of a moderator who can draw on both practical experience and theoretical expertise.

The B.A.U.M. head office is located in Hamburg. The practical approach of the B.A.U.M. concept is increasingly proving its value in other countries, too. In Austria, a corresponding autonomous organisation has been founded and started activities under the name "Bundesweiter Arbeitskreis für Umweltbewusstes Management". Other similar organisations are being set up at the present time. They form an international network.

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Dr. **Georg Winter** is a member of the Board of Management of Ernst Winter & Sohn (GmbH & Co), where the integrated system of environmental management (Winter Model) was developed and on which the book *Business and the Environment* is based. He is also a founding member and Chairman of the Board of the Bundesdeutscher Arbeitskreis für Umweltbewusstes Management (B.A.U.M.), the German Environmental Management Association. He belongs to the environmental committees of the Federation of German Chambers of Industry and Commerce (DIHT) and the German Machinery and Plant Manufacturers' Association, and also sits on the jury for decision on the "European Better Environment Awards" of the EC Commission.