Chapter 6

Environmental Sustainability to Support Competitiveness: From Theory to Practice

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ABSTRACT

The interest of scientists and companies in understanding the business implications of environmental commitments is timely; however, a dilemma remains at the firm level: is environmental sustainability a strategic factor for business competitiveness? The author contributes to this international and interdisciplinary debate through a double analysis, theoretical and empirical. Starting from a systematic literature review, the main correlations between environmental commitments and business performance are identified in a scholar’s perspective. Based on the results from an Italian survey, the main added values associated with certified environmental management system are verified with a manager’s perspective. Finally, the findings obtained from theoretical and empirical points of view are compared, to discuss confirmations or contradictions and underline questions still open.

INTRODUCTION

Since the 1980s the concerns of the international community linked to the consequences of an irresponsible development have determined the progressive affirmation of the concept of sustainability and the issue of environment is of great interest for companies today. Among scientists a lively debate concerning corporate sustainability has determined multiple epistemological and theoretical paradigms (Vildásen et al., 2017). On the other hand, over the years the attention to environmental problems has grown in consumers, pushing companies to introduce the sustainability as strategic variable in their business (Roulet and Touboni, 2015; Xu et al., 2018). In order to answer the increasing pressure of legislation and market of environmental issues, many organizations are committed to reducing environmental impacts.
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(Ren et al., 2019). To support the growing needs of sustainable management in many sectors around the world, the standards and guidelines have gradually multiplied in recent years (Toniolo et al., 2019/b).

To gain increase of market credibility and legitimacy, many organizations around the world have chosen to achieve voluntary environmental certifications, beyond the legal requirements (Chen et al., 2012; Neuteleers and Engelen, 2015; Wijethilake, 2017). The environmental management system is certainly the most widespread tool to improve the environmental performances of an organization; moreover, thanks to its applicability in all economic sectors, it represents the best-known environmental label on the market (Ni, 2018). However, in several cases the organizations not always are able to quantify costs and benefits related their environmental procedures and performances (Mazzi et al., 2016/b; Lee et al., 2017).

The focus of this chapter is the discussion about the relevance of the environmental sustainability (ES) in supporting the business competitiveness (BC). In the international debate this topic has already been widely discussed by many authors. The so-called “neoclassical” approach that considers the environment as a negative externality and focuses on the environment in terms of compliance with regulatory requirements is considered to be outdated (Bhat, 1998; Bithas, 2011). However, a dilemma thus arises: is it convenient for a company to invest in the environment? (Porter, 1991; Boons, 2002). The international debate concerning this question starts from the awareness of the complexity related to measure the relationship between environmental commitment and business success factors; in the last thirty years through empirical and theoretical studies the scientists come to conflicting conclusions. In other words, looking for an answer to this dilemma is “like finding the Holy Grail” (Boons and Wagner, 2009).

The chapter contributes to this long-standing question starting from a double perspective, theoretical and practical, and looking for a meeting point. From a systematic literature review, the theoretical evidences related the relationship on ES and BC are underlined and the scholars’ perspective is clarified. Through the investigation of the opinion of companies with ES commitments, the practical experiences related the relationship on ES and BC are verified. Finally, comparing the results derived by the literature review and the opinion of companies, the similarities and differences between theoretical and practical outcomes are underlined.

The novelty of this research concerns in the adoption of this double approach. Indeed, even if the papers discussing the existence of a relationship between ES and BC are very numerous in a theoretical or experiential perspective, very few studies have explored this topic in both perspectives (Raut et al., 2019). At the same time, in this topic the need to compare theories and practices is known, in order to overcome the redundancy of assessing and bring theoretical reflections closer to real experiences (Büyüközkan & Karabulut, 2018; Genovese et al., 2017).

The chapter is structured as follows. Section 2 explains the research design, through the formulation of research questions and the phases with which the research is structured. Section 3 is dedicated to the presentation of the first part of the research: the exploration of the topic with the perspective of scholars, through the analysis of the literature published in the last twenty years. The goal is to identify the main findings obtained by the scientists regarding the ES-BC relationship. In section 4 the second part of the research is presented: its aim is to investigate the point of view of managers, obtained by a survey among firms. The purpose is to investigate the opinion of companies regarding how ES contributes to BC, through a national survey. Section 5 presents the third part of the research, dedicated to comparing the two different points of view, scholars, from literature review, and practitioners, from survey among companies. The purpose is to identify similarities and differences between theoretical and practical analysis in investigating the question of ES-BC relationship. Final propositions and future perspectives
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