# Chapter 5

# **Environment**

### The Principle of Non-Permanence

Shannon Ellsworth

Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

#### Gro Harlem Brundtland

You cannot get through a single day without having an impact on the world around you. What you do makes a difference, and you have to decide what kind of difference you want to make.

#### Jane Goodall

There are various reasons to implement corporate environmental sustainability practices, including pressure from consumers and watchdogs, government regulation, and market recognition for environmental innovation. "The Internet, the news media and the information revolution shine light on business practices around the world," writes Plotr Mazurkiewicz of the World Bank. "This transparency of business practices means that for many companies, corporate social responsibility, CSR, is no longer a luxury but a requirement."

The virtuous organization perspective suggests that outside influences are less important than the internal drive to protect the world we live in. While outward demands can be appeased, it is from inner demands that we can find fuel for environmental innovation and a drive for sustainability.

There are several major complications that make finding intrinsic motivation for environmental consciousness difficult. The first is that the environment is—by most definitions—outside of us. Outside of us as individuals, and outside of us as organizations. In order to find internal motivation for environmental consciousness, we must internalize the interests of others. These others include our future selves and future generations, as well as species and elements that are taxonomically distant from us.

In other words, to consider the environment requires true altruism.

Of course, from an organizational standpoint, the availability of environmental resources and the presence and wellness of future generations should be of interest to us. Without them, organizations cannot survive. And we want our organizations to survive. This brings us to the second major complication: the desire for permanence.

According to psychologist Steven Reiss, human beings have a drive—both individually and organizationally—to create things that last. [1] We believe that having a real impact on the world means building products and structures that will weather the test of time. We honor the remnants of ancient civilizations whose buildings and carvings and pottery exist

despite centuries of abuse from wind, rain, and sun. We value durability and resilience. We want to know that the things we have made won't just dissolve.

But it's the permanent things that clutter our planet. It's the permanent things that no longer cycle with the rest of the planet through the delicate ecosystems that rely on the constant construction and deconstruction of energy and matter. It's permanent things that disrupt the flow of air, water, sunlight, and sometimes even life itself.

For this reason, we can think of impermanence as a central principle of environmental responsibility. For any action—using trees from a forest, paving through a wetland, mining copper, creating plastics, dumping wastes, creating products and byproducts—we should ask a single question: Can this be undone?

Some might see this view as nihilistic—trying to minimize the value of humankind and its contributions. After all, self-actualization is the need of humans to create and express themselves. Self-actualization is often viewed as the culmination of personal and social growth and development. To create things that are less permanent—dissolvable, recyclable, elemental—seems antithetical to human development.

#### Except that it isn't.

Toward the end of his life, Abraham Maslow amended his famous hierarchy of needs, adding a level above self-actualization. The new category was self-transcendence, which he described as follows: "Transcendence refers to the very highest and most inclusive or holistic levels of human consciousness, behaving and relating, as ends rather than means, to oneself, to significant others, to human beings in general, to other species, to nature, and to the cosmos." In other words, self-transcendence suggests the ability of humankind to consider other people and the environment not only as means to a valuable end, but as people, things, and creatures that have value in and of themselves.

From the standpoint of busines—the realm of products and organizations—there is an argument to be made for impermanence as well. Beyond the obvious benefit of ensuring long-term flows of resources for our progeny (an instrumental need rooted in physiological needs), we can appreciate the ways in which impermanence can help us to achieve newer, greater, more innovative things. Though still an instrumental approach, this at least links us to a sense of self-actualization.

The rapid development of our technology suggests that we just keep getting better and finding new ways of doing things—we should want our past and current technologies to be less permanent if only so that we can make way for progress and innovation. We want more resources to be available/renewed/unpolluted so we are unhampered in our progress.

Of course, the transcendent approach would be to value the resources of the planet simply because they exist.

There are three options for organisms that live in a closed system. The first is that they consume all of their resources and die for lack of food. The second is that they produce so much waste that they die of exposure to their own muck. The third option is the creation of a biosphere: each creature in the system consumes and processes some form of nutrition, generally transforming it from one form into another. This new product is then consumed by another creature in the system, which completes the cycle by creating a form of nutrition for the first.

The cycles of interrelated living things transcend the permanence of single organisms. It's a paradox: creating things that are indestructible leads to demise, but creating things that are meant to decompose creates perpetual life.

We have an imperative, then, to think of our decisions in companies in terms of a cycle with upstream components—the parts of the cycle that immediately precede our action—and downstream components—the parts that immediately follow. We will consider each of these in turn.

# Reducing and offsetting upstream harm

Upstream harm generally results from irreparably harming, transforming, or destroying a resource, either by taking too much or by using damaging processes. In general, the remedy is to cause less permanent damage, either by replenishing resources, taking less of the resource, or preventing actions that will cause irreparable harm.

Reducing harm upstream might be as simple as switching providers or coaching a vendor on more ecologically sustainable practices. Consider as an example all the packaging and carbon emissions that come from large-scale online retail distributors. According to one report, "LimeLoop used data from USPS, FedEx, and UPS to estimate that around 165 billion packages are shipped in the U.S. each year, and then roughly calculated that the cardboard used would equate to more than 1 billion trees." If your company relies on products from an online retailer you could reduce environmental harm upstream by requesting that your order parts be shipped together, not in separate packages with separate trips.

Decreasing harm upstream means knowing your supply chain. Understanding the products, processes, and outputs of your vendors, and ideally, even your vendors' vendors, is essential to determining how your organization can reduce harm

Work to reduce the number of products and processes that are negatively affecting the environment. You may reach a point at which you have done seemingly all you can to reduce upstream harm, and you are still using too much of a resource to allow for a reasonable replenishment rate or using processes that cause too much harm. In these cases, the only virtuous option is to be accountable and transparent about these shortcomings and innovate until you have remedied the problem.

Piotr Mazurkiewicz writes that "to help ensure that their products and processes are environmentally responsible, many companies seek to buy greener products and materials from their suppliers. Some companies participate in buyers' groups in which they leverage their collective buying clout to push suppliers to consider alternative products or processes."

## Reducing and offsetting downstream harm

Downstream harms generally result from the production of products or byproducts that are either relatively permanent and therefore harmful upon accumulation or immediately damaging regardless of their level of permanence. Of course, the worst cases of downstream harm are those situations in which products or byproducts are both permanent and damaging.

Ways of mitigating downstream harms can occur by reducing the amount of harm caused by a product or byproduct, reducing its permanence, or reducing its quantity. In some cases, focusing on reducing the number of downstream effects can also reduce upstream effects, as in the case of combustible fuel consumption where decreasing the quantity of fuel burned can both reduce emissions and reduce depletion of non-renewable resources. The auto company Mazda has been praised for advances in fuel efficiency using a compression ignition technology. According to Jay Chen, powertrain manager for Mazda North America, "As a company, we're thinking more globally . . . In Thailand, let's say, or Africa, there is no government incentive for a plug-in hybrid. In India, there's not a huge market for PHEVs. We can still make a larger environmental impact by reducing overall greenhouse gas emissions throughout the majority of our engines. We've already done it by 23 percent with our [Skyactiv-G] engines, and that's across the board, around the world. That's our strategy, that's our corporate responsibility. Sometimes, initially, it might not seem like the most cost-effective. But we're engineers. We're driven by certain ideals." [4]

For downstream harms derived primarily from toxic byproducts, investment in control methods can be justified by considering the value to customers—in financial terms—for reducing or mitigating the harm. Marc J. Epstein suggests that "the loss of value attributable to the damage is estimated by the public's willingness to pay to avoid the damage.

This willingness to pay can be extrapolated from market-based data on the commodity or impact in question or can be observed through a survey that replicates the commodity in the form of a valuation scenario."

Downstream harms can also be mitigated by managing the ways in which your customers interact with your company and your products. Gains can be achieved by obtaining data on your customers, their customers, and how your product or service could be used in environmentally damaging ways.

One example is the fashion industry. The products might be created in a sustainable fashion with renewable cotton, however, if they are poor quality and the usable life of the product is short, massive amounts of your product will go into landfills. Offsetting the quick churn and disposal nature of modern fashion might be done by creating a more durable product, using paper shopping bags made of recycled materials and investing in campaigns to inform consumers of how to donate or recycle clothing.

# Tradeoffs vs. maximization problem

It is common to think in terms of tradeoffs when considering the environmental impact of organizations: tradeoffs between profits and environmental costs, tradeoffs between customer satisfaction and reduced carbon-emitting logistics, even tradeoffs between effective cleaning chemicals and safe cleaning chemicals.

It usually seems that two desired, value-driven qualities generally seem to exist on opposite sides of a scale: environment vs. efficacy, environment vs. profit. "Tradeoffs exist if components of a system are competing with or exclusive of each other . . . It implies a decision to be made with full comprehension of both the upside and downside of a particular choice." [5]

Thinking in terms of tradeoffs presumes that a gain in one value will result in a decrease in the other value. Just because two values are in tension does not mean that they are mutually exclusive. Piotr Mazurkiewicz observes that "many governments and businesses are now realizing that environmental protection and economic growth are not always in conflict."

The challenge for leaders is to prevent themselves from thinking in terms of tradeoffs and zero-sum games. Instead, they must think of such tensions as maximization problems that culminate in an opportunity to innovate.

For example, reducing unnecessary packaging, and therefore waste, would be good for the environment, but it would also benefit the bottom line for both company and customer by reducing material costs.

# The importance of value integration

It is up to you to adopt your own ecological standards for operations, manufacturing, and distribution within your sphere of influence. "Leadership companies recognize that to be effective, an environmental policy needs to be embraced by employees throughout the organization, not just those whose work is related to the environment," writes Piotr Mazurkiewicz. "Some companies go further, helping employees become more environmentally responsible throughout their daily lives, helping them build a true environmental ethic. Besides education, many companies create incentives, rewards and recognition programs for employees who demonstrate their environmental commitment."

In addition to adopting and propagating environmental values throughout the organization, it is possible and often preferable to observe the ways in which the organization's value-driven mission may be linked with environmental interests. Organizations that do not take the time to align their organizational mission and vision of the world with self-transcendent, environmental concerns may not realize that such alignment is possible.

Like prosocial initiatives, environmental initiatives can leverage organizational interests, values, and expertise in ways that far outweigh the dollar contributions of their efforts. For example, an organization that creates sterile, packaged medical products may not see how they can serve the environment as part of their product-driven mission, but if they

focus on a more virtuous, deep why type of mission, they can incentivize employees to walk, bike, and take mass transit to work in a way that improves health and safety—a core need they exist to meet—as well as promoting the reduction of carbon emissions.

- [1] https://www.psychologytoday.com/us/blog/the-second-noble-truth/201301/accept-impermanence-be-happier
- [2] The Farther Reaches of Human Nature, New York, 1971, p. 269.
- [3] https://www.fastcompany.com/40560641/can-online-retail-solve-its-packaging-problem
- [4] https://www.roadandtrack.com/car-shows/los-angeles-auto-show/a25356804/mazda3-skyactiv-x-future-internal-combustion/
- [5] http://www.uni-kiel.de/ecology/projects/salzau/wp-content/uploads/2010/07/matzdorf\_mueller\_final\_pdf2.pdf





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