

Importance of Ethical Principles for Eco-friendly Management

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To survive and maintain their presence, organizations should serve their community successfully. Such a service requires an ethical perspective which promotes the community interest and welfare. At this point, managers have great responsibilities, because managers are in a very important position in which they determine the ways to serve the community with the basic strategies. However, it is clear that the managers who focus just on the profit but disregard environmental values will give wrong messages to the community. Organizations, contributing to environmental problems with their activities, causing pollution, and damaging environment with their products and services, will lose their reputation and adversely affect their future in course of time. Today, harmful behaviors and pressures of organizations towards environment are on the basis of the global environmental issues and this situation adversely affects the future of all living things. Organization managers should consider not only their own interests but also environmental values and they should raise their employees' environmental awareness via education programs. In this regard, ethical principles will be able to guide the organization managers. The managers who configure their organizations in accordance with ethical principles and respect environmental values can open the doors of their organization to success and opportunities and as a result they will be good examples to the whole society with their environmentally friendly activities. In this theoretical study, organizations' responsibility in protecting their environment and importance of ethical principles for the environmentally friendly management will be emphasized. According to the literature survey, ethical principles are needed for an eco-friendly management and managers are the key factors to apply these principles.

Keywords: organization managers, ethical principles, environment, environmental issues

Introduction

Organizations should always take the environmental values into consideration by keeping harmful effects of their every activity under control. Reduction of harmful effects is of great importance for a sustainable future. Today's global environmental problems arise from unconscious consumption of natural resources and pollution. For a more livable planet, organizations should withdraw some behaviors threatening environment. Ethical principles will be able to guide organizations in achieving this, because ethics emphasize doing the right thing. Organizations guided by ethical principles will become parts of solution of environmental problems but not reasons, because coping with environmental problems will be at the core of these organizations' strategies (Berghofer & Schwartz, 2013). Here, organization managers have major tasks and responsibilities. At first, they should internalize ethical values themselves and then they should instill these values in their organizations with

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their ethical perspectives. The employees who internalize and adopt ethical principles of their organizations with the help of their managers can be respectful towards environmental values. According to Freeman, York, and Stewart (2008), it is clear that if managers incorporate consideration of the natural environment into the strategic process, real progress can result in their organizations, so, to leave a livable world for future generations, managers must pay attention to environmental matters. There has to be a commitment and passion from managers to implement environmentally friendly practices (Fahmy, 2009). Ethical principles will lead these practices, because ethical principles avoid the intent and appearance of unethical or compromising practices in all relationships, actions, and communications of organizations (Ricoh Electronics Inc., 2012). This paper will highlight the importance of ethical principles for eco-friendly management. For this purpose, firstly ethics will be defined as a concept. The paper will then address the importance of ethical management for preserving environmental values. Finally, role of ethical principles for achieving eco-friendly management will be discussed.

Ethics as a Concept

The word “ethics” itself derives from the Greek word *ethos*, which means character (Ström, 2012). The Oxford English Dictionary defines character as the sum of moral and mental qualities that distinguish an individual. These definitions suggest that character is somewhat akin to personality in that both are distinguishing qualities or aspects of the individual, yet that character is related to those qualities that are markedly moral. People thus tend to associate moral attributes with character, such as honesty, integrity, and virtue (Hannah & Jennings, 2013). The study of ethics is about these moral attributes. It is about what people should do and what people should be like as human beings, as members of a group or society, and in the different roles that they play in life. It is about right and wrong and good and evil (Ciulla, 2003).

Ethics refers to principles that define behavior as right, good, and proper. Such principles do not always dictate a single “moral” course of action, but provide a mean for evaluating and deciding among competing options. The terms “ethics” and “values” are not interchangeable. Ethics is concerned with how a moral person should behave, whereas values are the inner judgments that determine how a person actually behaves. Values concern ethics, when they pertain to beliefs about what is right and wrong. Most values, however, have nothing to do with ethics, for instance, the desire for health and wealth are values, but not ethical values (Josephon Institute of Ethics, 2002).

From the time of the earliest civilizations, public authorities, philosophers, and business leaders have been concerned with ethics. The term ethics has several meanings. Firstly, ethics can be thought of as dealing with what is good and bad, with moral duty and obligation. Secondly, ethics can be seen as a particular set of moral principles or values. In some settings, these ethical standards are unique to a particular culture, while in others, they might be part of the common cultural heritage of all nations, such as the Universal Declaration of Human Rights. Thirdly, ethics can be thought of as the principles of conduct governing an individual or a group, such as business ethics, banking ethics, and accounting or advertising ethics. Fourthly, ethics is also traditionally a branch of philosophy and is related to the development of the ideas of a market economy (Sullivan, 2009). Today, enabling ethics effective in all managerial activities is of vital importance in business management.

Ethics and management are two closely related fields. Business management and ethics are all about making the right decisions. So what is the difference between the two? Management is concerned with how decisions affect the company, while ethics is concerned about how decisions affect everything. Management operates in the specialized context of the firm, while ethics operates in the general context of the world.

Management is therefore part of ethics. A business manager cannot make the right decisions without understanding management in particular as well as ethics in general. Business ethics is management carried out in the real world. This is why business managers should study ethics (Hooker, 2003). An ethical management both at private sector and government is of great importance for a good business atmosphere and success of organizations.

Ethical Management and Environmental Values

A successful implementation of ethical management constitutes an essential ingredient in fulfilling the responsibility of business to behave ethically. The main goal pursued by implementing an ethical management into the company is to influence the company's decision making to improve its performance in ethical terms. Ethics is an essential ingredient for today's business success, because it is considered as a final value produced by and for the company. In other words, ethical management should be implemented to achieve not only a value that will provide a better external corporate reputation, but also a good place to work (Palomino, Gomis, Banon, & Carmen, 2011). Ethical management is not only necessary for a good business atmosphere or success of organizations, but also for environmental values.

Managers respecting environmental values and ethical behaviors can shed light on their organizations' environmental actions. They should develop, implement, and monitor environmental strategies, policies, and programmes. This entails a range of strategic tasks for the managers and these tasks are as follows (Association of Graduate Careers Advisory Services, 2013):

- developing and implementing environmental strategies and action plans that ensure corporate sustainable development;
- taking the lead on sustainable procurement for all goods and services;
- coordinating all aspects of pollution control, waste management, recycling, environmental health, conservation, and renewable energy;
- leading the implementation of environmental policies and practices;
- ensuring compliance with environmental legislation;
- auditing, analyzing, and reporting environmental performance to internal and external clients and regulatory bodies;
- carrying out impact assessments to identify, assess, and reduce an organisation's environmental risks and financial costs;
- promoting and raising awareness, at all levels of an organization, of the impact of emerging environmental issues, whether legislative or best practice, on corporate, ethical, and social responsibility;
- managing the development and implementation of an environmental management system;
- coordinating public hearings and consultations on environmental matters;
- managing relations with the board of directors, senior management, and internal staff;
- training staff at all levels in environmental issues and responsibilities;
- participating in environmental education and research;
- negotiating environmental service agreements and managing associated costs and revenues;
- writing environmental reports and assuming the lead responsibility with the company;
- leading on corporate social responsibility issues and action.

In addition to the foresaid, managers' another ethical landscape should be environmental concerns. People

who design and make products should focus also on the environmental impacts of their products. They should be aware of short- and long-term problems stemming from the design and manufacturing processes. Environmental concerns show up in the careful checking for hazardous materials and procedures. There should be corporate policies in place to mandate workplace monitoring of people's safety. There should be also policies to deal with remediation of historical hazardous situations (Skovira, 2006). These should be the values of an organization. Without these values, organizations never give importance to their environment. Managers are the keys of these values.

Managers should work continuously to develop organizational values. Excellent organizations should have values and it is the duty of managers to shape values that are service oriented and ethical. Values are previous reminders that the individuals obey to bring order and meaning into their personal values. Without values, there is no guideline for direction. The key ingredient of any culture is values. Often misunderstood, values are simply preferences and priorities, which reflect what is more important. In all organizations, values are at work every day (Baijumon, 2011). Environmental values of an organization will be strengthened with the ethical principles. A positive and harmonious work environment can be established by ethical principles and this will lead to conservation and development of environmental values, because ethical principles require respect for environmental values. Many environmental issues stem from lack of this respect.

Importance of Ethical Principles for Eco-friendly Management

All human activities have an impact on the environment. Indeed, each individual has an ecological footprint that represents the sum of that person's resource use and contributions to pollution. The ecological footprints of individuals vary considerably both within states and from one region of the world to another. In fact, environmental problems stem from two main categories of human activities (United Nations Environment Programme, 2009):

- use of environmental resources, such as water, rangeland, and forests, at unsustainable levels;
- contamination of the environment through pollution and waste at levels beyond the capacity of the environment to absorb them or render them harmless.

Over the last three decades, there has been increasing global concern over the public health impacts attributed to environmental pollution, in particular, the global burden of disease. The World Health Organization estimates that about a quarter of the diseases facing mankind today occur, due to prolonged exposure to environmental pollution. Most of these environment-related diseases are however not easily detected and may be acquired, during childhood and manifested later in adulthood. Improper management of solid waste is one of the main causes of environmental pollution and degradation in many cities, especially in developing countries. Many of these cities lack solid waste regulations and proper disposal facilities, including for harmful waste. Such waste may be infectious, toxic, or radioactive (United Nations Environment Programme, 2007).

It appears that polluted environment is a global issue and world community would bear the worst results more as they already faced. Effective response to pollution is largely based on human appraisal of the problem and pollution control program. Education, research, and advocacy should not be lacking as preventive strategy for pollution. The adoption of environmental auditing in any economic sector must be mandatory. Policymakers in developing countries need to design programs, set standards, and take action to mitigate adverse health effects of pollution. These societal beneficial efforts need to carefully adapt available knowledge from other

settings, keeping in mind the differences in pollutant mixtures, concentration levels, exposure patterns, and various underlying population characteristics (Khan & Ghouri, 2011). In prevention of these problems, ethical principles are of paramount importance, because all of these problems are also related to the organizational activities. Managers are responsible for all the organizational activities. Their instilment of ethical principles in their organizations can help solve these problems. If employees internalize ethical principles of their organizations, they will also be respectful to environmental values. This will facilitate the solution of the problems automatically. Ethical principles of ProCredit group can be given as an example here.

The ProCredit group is made up of development-oriented banks operating in Eastern Europe, Latin America, and Africa, as well as a bank in Germany. The parent company of the group is ProCredit Holding, a Frankfurt based company which guides the group. Environmentally and socially sustainable economic development is a central component of the development mission of the ProCredit group. They set benchmark standards, when it comes to the impact of their lending operations on the environment. The group applies a consistent set of group guidelines for environmental management. These guidelines outline the three pillars of ProCredit's approach to environmental management (Retrieved from <http://www.procredit-holding.com/en/about-us/business-ethics-and-environmental-standards.html>):

- internal environmental management system: This pillar relates to all in-house measures taken to reduce the banks' environmental impact. This includes widespread awareness-raising and training efforts, as well as branch and head office design. Energy efficiency and green issues are now a central part of academy courses at the regional level. ProCredit branch staff often carry out neighborhood activities to improve the environment, for example, they clean up public spaces and recreational areas, plant trees, and provide resources to improve parks and playgrounds;
- management of environmental risk in lending: The goal of this pillar is to reduce the external impact caused by the banks' lending activities. This includes assessment and monitoring of the environmental risk of a client's business, and rejecting loan applications that are harmful to the environment;
- green finance/green credit products: This pillar aims at improving the banks' external environmental performance by offering special credit products for investment in energy efficiency, renewable energies, and other environmentally-related activities. Many of the group's home improvement and business loans are used to finance the acquisition of modern emission-reducing technologies, the construction of energy-efficient buildings, and other investments which have a positive impact on the environment. Most banks now offer "green" or "energy efficiency" loans and they see significant new business potential in this area. They work with a range of funding partners. Loans can be granted for the purpose of financing more energy-efficient machines and equipment, solar panels, the conversion of vehicles to natural gas, the recycling of waste, and the installation of energy-saving lighting.

Ethical principles concerning environment should be internalized by all the organizations for an effective environmental management. In order to meet their social and business responsibilities, organizations should behave like this and sustainability should be the key of their guidelines.

Conclusions

Nature is not only for humans. Humans are only capable of shaping their own nature to some extent with the power of technology and science. Together with humans, all creatures need nature for living in confidence. No creature will survive without water, air, soil, or nutrient, so human beings should be more careful in their

relationship with nature. According to Taylor (2011), human beings should understand that they are an integral part, along with every species that shares the Earth with them, of a world that is structured in a certain way. Each individual organism, each species-population, and each biotic community are one of the components in that whole. All these living constituents of the natural world are related to one another as functionally interdependent units. In this respect, human beings are not different from the others (Taylor, 2011). Adjusting the relationship between humans and nature is one of the most fundamental issues human beings face and must deal with today (Yang, 2006). Here, managers have great responsibility. If they help internalization of environmental respect in their organization, many environmental problems will be solved permanently. Ethical principles will be able to guide the managers to achieve this purpose.

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