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Green initiatives in environmental management of logistics companies

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Abstract

Many companies are under pressure to be more environmentally responsible and the rising attention to the greener solutions does not leave logistics aside. The service and transport sectors are traditionally assumed to have a smaller environmental impact than manufacturing sectors. Nevertheless, some service sectors, such as the logistics industry, consume natural resources and generate contaminants, and thus need to address more efforts on environmental management. Environmental issues have also become an important element of environmental management and strategies which require commitment to the natural environment via voluntarily implemented green initiatives in logistics companies. In response to that, it is worth studying the factors which have the important impact on green initiatives for logistics companies.

Keywords: green initiatives, factors, environmental management, organizational support, logistics companies.

1. Introduction

Logistics companies carry out logistics activities including warehousing, transportation, inventory management, and other processing for their customers. Logistics is the most visible industry in the global effort to inhibit climate change. In response to that, environmental issues in the logistics sector are far more often discussed both by academics and managers, because many of environmental practices are carried out in the area of logistics, where

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there is great potential for contributing to the environmental performance of companies. There are even special reports and forecasts published so as to highlight the importance of this area of knowledge and to support pro-environmental actions of enterprises. However, the development of environmental issues in the logistics industry is still in its infancy, therefore factors influencing green initiatives have been perceived as crucial in logistics processes. Although environmental factors have been taken into account in several studies on green issues, factors of organizational commitment and supervisory support for green initiatives have been considered very rare in the studies of environmental management in the logistics industry. Only a few studies results allow for some observations in the enterprises of the logistics sector (Lin, Chieh-Yu and Ho, Yi-Hui, 2008, 2010). Companies which have managers who support green initiatives are more proactive and eco-innovative. These companies are usually leaders in their businesses and gain competitive advantage. Much remains to be learned about how organizational support and commitment of operational management influence green initiatives in the logistics industry. Organizational commitment and support derived from supervisory behaviours are called organizational support factors for green initiatives. But the success of green initiatives does not depend only on the organization itself, but it requires strong integration and collaboration with all supply chain partners, in particular customer and suppliers**.** Therefore, the aim of this paper is to take organizational factors into consideration and to show which of these factors have the most important impact on green initiatives within the organization and outside of the organization.

1.1. Green initiatives and logistics companies

Companies in different industries may react differently to environmental issues. Most logistics companies are not directly involved in the manufacturing of products. The logistics industry may react to environmental problems caused by products differently from the manufacturing industries. The industrial differences are empirically confirmed and significant divergences are observed in the way each sector perceives the importance of environmental issues (Carrascosa-Lopez 2012, González-Benito 2006). There are also registered differences as for the expected and perceived effects of the ISO14001 certification in companies.

There is not an explicit definition of green initiatives in the specific for logistics companies. Martinsen and Huge-Brodin (2010) grouped green initiatives into transport related measures (e.g. fuels, vehicle technology, mode choice, behavioural aspects, transport management) and beyond-transport initiatives (e.g. logistics system design, choice of partners, environmental management system, emissions and energy data) (Martinsen and Huge-Brodin, 2010, Isaksson, 2012). A green supply chain (GSC) initiative can be defined as the programs striving to transfer and disseminate environmental management, in particular advanced environmental management practices, through the entire supply chain (Sarmiento, R., and Thomas, A. 2010).

C. Ramus (2002) points out three types of environmental initiatives: those that decrease the environmental impact of the company, those that solve environmental problems of the company and those that develop a more eco-efficient services (Ramus 2002, p. 152). Some environmental initiatives tend to be implemented at the corporative and organizational level, thereby affecting the whole company and primarily focusing on strategic planning and organizational structure. Others have a more functional character, the operations and production function playing an essential role in environmental issues. Several papers have highlighted the key importance of this function in environmental management, thus revealing that many green initiatives need to be implemented in the domains of the operations function and require the involvement of the operations managers. In response to that, adoption of green initiatives is a great challenge for logistics companies that strive to develop and implement more green service offerings towards their customers.

1.2. Organizational support for green initiatives

Adoption of green initiatives requires many changes in the organization, therefore, the attitude towards these green initiatives may vary depending on their internal characteristics. Organizational support from top management is essential in advancing environmental initiatives adoption, but the difficulties with developing organizational support usually are most critical on the functional level. If the line managers are not interested in environmental management, they will not encourage employees to follow green initiatives. The manager's behaviours provide an important message to employees if they demonstrate organizational support and commitment for green infinitives.