Abstracts

Organizing Product-Oriented Environmental Management from a Resource-based Perspective

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Abstract

More and more the biophysical environment is being acknowledged as a critical business concern, while the environmental performance of products is becoming increasingly important to all parts of the product chain. Systematical attempts to decrease the environmental impact of a product throughout its life cycle could contribute to a firm's sustainable development potential, since product-oriented environmental management (POEM) addresses different themes of sustainable industrial development. POEM is defined as an approach to organizing a firm in such a way that improving the environmental performance of its products and processes becomes an integral part of both operations and strategy.
Firms currently engaging in POEM are expected to take a proactive stance, as engaging in product-oriented environmental issues goes beyond mere compliance. Important motives to engage in POEM are addressing stakeholder interests and competitiveness. This paper aims to describe and analyze the organization of POEM from a resource-based perspective. This perspective posits that differences in firms' competitive positions could be understood from knowing firm-specific organizational resources and capabilities. The way an individual firm organizes for this environmental product demand could lead to differences in firm performance and hence in a competitive position. This paper combines two specific applications of the resource-based view to the emerging field of POEM: perspectives from environmental management and product development.

Managerial decision-makers are regarded a good starting point to investigate the organization of POEM within a firm as these decision-makers play an important role in the process of capability building. Here, capabilities comprehend the ability to coordinate, deploy and legitimate resources to intentionally perform tasks. Three elements are viewed as central: a stakeholder focus, to determine which interests are served; getting towards a situation of continuous improvement to emphasize the enduring character of POEM; and constant learning and co-operating to highlight POEM's interactive character. Especially for these latter two central elements, a capability building model is relevant, because conceptualization and implementation in a continuous effort are key elements of this model. In this way, POEM could strike a balance between operational effectiveness and strategic flexibility, allowing day-to-day processes to continue and meanwhile proactively looking ahead to future requirements and opportunities.

In the empirical part of this paper, the coherence of these issues is illustrated on results from case studies from chemical industry, providing some interesting viewpoints on the organization of POEM from a resource-based perspective. In these studies, different stages in the capability building process are emphasized. If POEM, and implicitly sustainable industrial development, is to be advanced, raising managerial decision-makers' awareness of their role in the process of building capabilities regarding POEM is useful.