

Abstracts

The Lack of Theory in Corporate Environmental Management: Bridging the Gap between Management Theory and Corporate Practice

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Mode of Presentation: Workshop

Analyzing the state-of-the-art in corporate environmental management (CEM) we discover a disequilibrium: in the rapidly growing number of publications on CE issues a mostly pragmatic/heuristic focus seems to prevail, that one might even talk of "roads of

action". This contrasts to what we would call little "paths of knowing" which reflects the small number of publications that have a clear focus on theoretical issues of CEM.

In the beginning, the greening of CE activities concentrated on developing instruments and ready-to-go solutions for various entrepreneurial problems. We may think of ecological bookkeeping systems in the early seventies, up to the discussion of the early nineties, which focused largely on the standardization of EM-systems. As a result, CEM seems to be a quite heterogeneous "collection" of isolated instruments and punctual solutions of practical problems. It is clear, that this development - though not too strange for a new and rapidly growing discipline - is clearly unsatisfactory. Especially for the inner coherence of the discipline, the demand for theoretical approaches is badly needed. Furthermore, without reflecting stronger on theory, most of the practical solutions and instruments of the discipline will be of limited scope and value. This lack of theory might be closed by integrating those theoretical approaches which are already "theories in use" within relevant areas of social sciences, especially management science. The proposed session will present selected theoretical approaches and indicate their relevance for particular practical issues in CEM. The starting point of the session therefore alludes to a question risen in the 1999 Conference "Ways of Knowing"-track description: "Have we spent too much time generating theory from our office and not enough grounding our work in the real phenomena?" However, we approach the issues in a rather unexpected way: we would argue that the limited practical relevance of many findings in CEM is due to the fact, that most solutions lack a sound theoretical foundation. The workshop is dedicated to working back and forth between the worlds of theory and practice, starting with the initial by strengthening the theoretical underpinnings of the discipline:

- New Institutional Economics: Corporate orientation towards environmental issues creates an increasing demand for new designs of cooperation. Relevant areas here are firm-stakeholder relations or relation between different economic actors alongside closed material flows/loops. Several approaches of new institutional economics, such as the property rights approach, transaction cost economics, the principal agent approach, and approaches of information economics give a solid framework and basis for the design of new corporate relations.
- Theory of Structuration : Giddens' theory of structuration, at the very least, provides a useful device for gaining insights into the nature of theory and its practice by dissolving the structure/action duality. Reconstructing the environmental legislation process in two loosely coupled stages, in an initial stage of law making and in a next stage of "using" codified rules, Structuration theory can be applied to examine the interesting structure-agent interplay of an learning environmental law.
- Theoretical Foundation of Environmental Cost Accounting Systems: Companies have to pay attention to their stakeholders' interests, which increasingly include environmental aspects. On the one hand, these lead to changing consumer habits. It has effects on the companies' credit worthiness, the amount of insurance premiums, media reporting and so on. On the other hand, the companies have to secure the legal compliance concerning the relevant environmental regulations. Altogether environmental impacts have a significant influence on the short-term and long-term profits. To make optimal decisions, it is therefore necessary to consider these impacts in business planning. In this context the firms have to

gather knowledge about their processes and the quantities of the interesting environmental impacts. As a result, bills of environmental impacts are developed representing the environmental aspects of production, and assigning them correctly to production factors, production processes, and products. The next step is to evaluate these environmental impacts according to different corporate objectives. For this purpose a theoretical model helps to show the main interdependencies. The results form a fundamental basis to build up an internal pricing system which allows to control the quantities of environmental impacts

. The Idea of the Dialogue Workshop:

The workshop is designed as an "all inclusive workshop" within the research track of 1999 Conference that seeks to present high quality research work, as well as well prepared and systematically interrelated presentations. This package includes the topic and structure of the workshop, furthermore the organizers take over two of the envisaged presentations (which are part of their current research activities). For contributions to the other sections the workshop organizers are currently in contact with several specialized scholars in the field. Here, they are of course also open for suggestions from the organizers of the 1999 conference (e.g. competent researchers and additional theoretical approaches such as decision theory). The target of the session as a dialogue workshop is to open up the field for an interactive discussion, that relates theory elements to practical problems. In this sense, four theory elements form the framework of the "theoretical" session and serve the ground for a controversial discussion among interested researchers and practitioners.