

THE CONTROL SYSTEMS IN THE ENVIRONMENTAL MANAGEMENT FRAMEWORK

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The environmental responsibility of companies has been largely developed these last years, inducing a growing number of companies to introduce the environmental dimension into their management and their strategy. The definition of an adequate control system to assure the effective implementation of the chosen strategy and its environmental effectiveness is of central importance.

The definition of a control package suited to the environmental management can be studied within the framework of the contingency theory. The contingency approach to management control is based on the premise that particular features of an appropriate control system will depend upon certain defined circumstances, named contingency variables. The impact of the ecological environmental uncertainty on the design of the organisational control package is the main aspect studied in this research. The control systems of the environmental management identified in the environmental literature have been classified in five main categories : environmental information systems (green accounting, LCA, etc.), result controls (environmental performance measurements, rewards), action controls (procedures), personnel and cultural controls (training, education, culture, etc.) and interactive controls (top management implication, periodical meetings).

To study the impact of the ecological environmental uncertainty on the management control system, a first case study has been realised. The company under study is a Belgian firm belonging to an international group in the heavy industry. This firm includes five manufacturing factories with more than 900 people. The environmental legislation evolves quickly in this sector, the effects of pollution are local and visible and the stakeholders' pressure is high. The characterisation of the ecological environment is therefore uncertain. To answer to this uncertainty, the company has established different kinds of control systems suited to the different pressures. For example, to manage the uncertainty linked to the media and neighbourhood pressures, the firm has developed personnel and cultural controls as worker's information, manager's training for dealing with environmental crises, public information, etc. To manage the uncertainty linked to the legislative pressure, the control tools are more action and result controls oriented. One example is the inclusion of environmental criteria into the investment decisions in order to anticipate the legislation evolution. The uncertainty linked to the environmental interest of the competitors leads the firm to introduce new control means. Therefore this case study tends to show that a company uses the control tools suited to the specific uncertainty it wants to reduce.

The main interest of this research is to analyse in depth the linkages between the organisational control systems and the environmental management and performance, which could be more and more developed and interconnected in the future, as the environment will be increasingly considered as an important dimension of the organisation. The case study presented in this paper is the first empirical step of this research. A second case study will be realised in a company with different uncertainty characteristics and finally a survey will be conducted.