

Getting Serious About Voluntary Environmental Programmes

By Eva Collins, Patricia Corner, Kate Kearins and Stewart Lawrence

Globally, companies are increasingly active in environmental initiatives. Are our enterprises committed to the idea of clean-green performance?

Fifty-three percent of surveyed New Zealand businesses believe environmental management will become more important or much more important to their business in the next five years (Lawrence & Collins, 2004). International trends suggest that this stance is unlikely to be prompted by expectations of increased regulation (Delmas & Terlaak, 2002). Rather, firms appear to be taking voluntary action because of concerns around environmental issues such as resource depletion, water and air quality, energy use and the increasing mountain of waste.

Their reputations are often at stake. Firms can also come under pressure from customers and other stakeholders to do a better job for the environment.

Milne, et. al (2001) found that New Zealand firms generally lag behind their international counterparts when it comes to environmental reporting. New Zealand firms produce fewer “triple bottom line” reports - and when they do, the reports are less comprehensive (Milne, et. al, 2003). This deficit —together with the obvious importance of the environment to our collective future—prompts us to urge New Zealand firms to consider doing more environmentally than they are currently.

This paper thus examines the state of voluntary environmental programmes (VEPs) in New Zealand. VEPs include a range of initiatives that firms choose to undertake to improve their environmental performance beyond what is legally mandated. We survey the international and national literature and report on environmental data from a survey of 811 New Zealand businesses. It is important to note that no full accounting of VEPs in New Zealand is available (Goldberg, 2001). However, to move toward a better understanding of VEPs in the nation, we use the litera-



Nigel Brown, Bomb scream, 1984, oil on board, Auckland Art Gallery Toi o Tamaki, purchased 1984

ture and analyze data to describe where New Zealand firms are with respect to environmental practices. From this base, we then offer suggestions about how firms can increase environmental practices through participation in voluntary environmental programmes. Finally, we discuss why managers should consider adopting VEPs and how they might be best implemented.

The survey data reported is part of a larger study investigating the environmental and social practices of New Zealand business (Lawrence & Collins, 2004). The larger study employs a quantitative, descriptive approach to data collection designed to assess where New Zealand companies are with respect to these practices. The survey used to implement this design was pilot tested by 40 CEOs in September, 2003.

TABLE 1: My business engages in the following activities related to the environment

| Item | | Number of firms | % |
|------|---------------------------------------------------------------------------------------------|-----------------|----|
| 1 | Has a recycling programme | 457 | 56 |
| 2 | Has a company environmental policy statement | 222 | 27 |
| 3 | Produced a public environmental and/or sustainability report | 82 | 10 |
| 4 | Considers the environmental impact of our products, processes and/or services | 405 | 50 |
| 5 | Marketing or image based on environmental claims (e.g. clean, green N.Z.) | 139 | 17 |
| | Has measurable targets for: | | |
| | * Developing employee training programmes related to our social and/or environmental goals. | 110 | 14 |
| | * Reducing waste | 199 | 25 |
| | * Reducing water/energy use | 174 | 22 |
| 6 | Participates in a voluntary environmental programme | 142 | 18 |
| 7 | Is a member of an environmental group or network | 191 | 24 |
| 8 | Has an environment-focused supplier programme | 84 | 10 |
| 9 | Has environmental management systems | 191 | 24 |
| 10 | Don't know | 11 | - |
| 11 | None | 119 | 15 |
| 12 | Other (please specify) | 19 | - |

*Source Lawrence & Collins, 2004

It was revised based on pilot testing and follow-up interviews and feedback received from academics as well as government and business representatives. Initial data were collected using the finalized survey instrument in October 2003 with the intention that follow-up data will be gathered every two years to assess changes in business' environmental and social practices. Importantly, the survey is the first to benchmark the environmental and social practices of all sizes of New Zealand businesses (see Springett, 2003 for a recent report on large New Zealand businesses). The Lawrence and Collins survey to which we refer includes companies from all Statistics New Zealand industry categories.

Understanding VEPs

VEPs come in a wide range of guises. Firms can start with something as simple as a recycling programme, or by reducing energy and water use. They might get involved in site and neighbourhood cleanups. Some firms implement cleaner and more efficient internal processes. Some adopt formal environmental management systems, which include an environmental policy, a planned programme of continuous improvement and periodic audits. At the other end of the scale, firms might go for complete redesign of their plant, products and packaging to have the least impact on the environment. Some firms even take responsibility for what happens to their products at the end of those products' useful lives. While programmes may differ in their specific goals and approaches, they share an emphasis on non-regulatory voluntarism in achieving environmental objectives (Collins & Starik, 2001).

The good news is that a number of New Zealand firms report undertaking these kinds of initiatives even though they do not necessarily recognise them as VEPs. Table 1 illustrates this point with data from the survey that is the focus of this study.

However, businesses can always be expected by stakeholders to do more in this vein. Even some of New Zealand's largest firms (by turnover) are not doing as much as they could (Springett, 2003). Reporting on her "Survey of Corporate Environmental Responsiveness", Springett (2003) indicates that initial levels of environmental practices were lower than on a comparable UK survey. Moreover, Springett indicates that New Zealand corporates, for the most part, engage in environmental practices when they become issues of compliance with the Resource Management Act 1991 and do very little beyond that to strive for leadership or excellence in environmental practices.

There are a variety of voluntary environmental programmes firms may chose to implement. VEPs can occur within single firms, across industries, up and down supply chains or across public and private sector organisations. Also, they can be local, national or international in scale. Although there are many different ways to define the variety of VEPs,

Eva Collins is a Lecturer at the University of Waikato Management School; **Patricia Corner** is an Associate Professor at the Auckland University of Technology Business School; **Kate Kearins** is a Professor at the Auckland University of Technology Business School; **Stewart Lawrence** is a Professor at the University of Waikato.

TABLE 2: Types of Voluntary Environmental Programmes*

| Type | Definition | Example |
|--------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Individual programmes | Firms unilaterally implement VEPs and typically do not include government actors, but can include business partners such as suppliers. | The Warehouse recycles plastic shrink-wrap. |
| 2. Agreements among multiple firms | Committed firms come together as a group to define and implement a joint VEP. Members agree to comply with the code or programme and non-complying firms are threatened with expulsion from the group. | The New Zealand Business Council for Sustainable Development's (NZBCSD) project commits member companies to produce a triple bottom line report. |
| 3. Business-to-business challenges, incentives and agreements | Firms require partner firms (e.g. suppliers) to meet certain environmental standards. | Pumpkin Patch sets specific labour requirement for its suppliers and conducts random audits to ensure compliance. |
| 4. Government-to-industry challenges | Government agencies define programmes, rules for compliance, and monitoring requirements for firms. | Ministry for Environment and Environment Waikato signed a Clean Streams Accord with Fonterra. |
| 5. Performance agreements between industry and government | Firms and government negotiate agreements that typically waive some legal obligations in return for commitments to improve performance beyond existing legal standards. | Negotiated greenhouse agreements between the New Zealand government and firms waive the carbon tax proposed for 2007 in exchange for an agreed level of environmental performance. |
| 6. Agreements between industry and non-governmental organisations (NGOs) | Firms partner with NGOs to achieve environmental goals. | Environmental NGO, WWF, initiated a company club with Watercare Services and Toyota New Zealand helping fund conservation work. |
| 7. Global agreements | Firms and/or government and other stakeholders design a programme or code to address environmental performance across a range of industries and countries. | The International Standards Organisation developed the ISO 14000 series of standards around environmental management. |

*Adapted from Lynes & Gibson (1998)

Table 2 identifies seven different categories of voluntary initiatives, providing a useful typology. It builds on the work of Lynes and Gibson (1998), researchers who have written extensively on VEPs. The seven types of programmes are not incompatible with each other and firms may be engaged in more than one type of programme at the same time.

Although there are many and varied types of VEPs as shown in Table 2, managers' motivations for adopting them tend to be similar. The next section delves more deeply into the research on why managers might volunteer their firms to participate in a non-regulatory environmental programme.

Why VEPs?

Unsurprisingly, economic incentives are a key motivator for managers. Voluntary programmes can expose firms to ideas and solutions that provide information and technical assistance, leading to cost savings and environmental improvements (Mazurek, 1998; Storey, Boyd & Dowd, 1999). In the United States Environmental Protection Agency's (EPA) Green Lights programme, which encourages organisations to use energy efficient lighting, participants reported that information from the EPA helped them achieve significant savings that they would not have identified on their own (Pa-

ton, 2000). Further, there are often trade and competitive advantages that participants hope to gain. For example, eco-labelling and ISO 14001 are increasingly important factors in certain customer markets (Moffet & Breggha, 1999) and may bring higher returns. Supply chain relationships are another driver. A recent New Zealand example where supply chain and trade advantages were evident is the Clean Streams Accord. Dairy cooperative Fonterra signed a voluntary agreement with central and local government in May 2003, giving dairy farmers nine years to improve their environmental performance on issues such as animal effluent and fertiliser run-off into waterways. Fonterra's trade and competitive motivations had to do with preserving its clean, green image among customers, but the requirements of the agreement will significantly impact its suppliers (New Zealand Herald, 16 June 2003).

A second key motivator is organisational leaders with strong environmental values (Winn, 1995). In fact, the survey data reported in this paper found that managers' values and beliefs were the most common driver for adoption of environmental practices in New Zealand (Lawrence & Collins, 2004). This finding echoes earlier work by Andersson and Bateman (2000) on the importance of environmental cham-

pions in U.S. firms and suggests that New Zealand businesses do mirror some of the motivations seen in other countries. This motivation is exemplified by carpet manufacturer Ray Anderson of Interface, Anita Roddick of the Body Shop, and New Zealand's Chris Morrison of Phoenix Organic.

A third motivation for firms that decide to "go green" can be a desire to overcome a history of environmental problems. A well-known example is Royal/Dutch Shell. It initiated a major dialogue and change programme in the wake of public outrage around two issues: 1) its failure to publicly oppose the Nigerian Government's execution of anti-Shell Ogoni ac-

"Firms may voluntarily adopt changes, or give the appearance of having adopted changes, in order to look good in the eyes of these stakeholders"

tivists and; 2) boycotts at the pumps in Europe following its proposal to dump the decommissioned Brent Spar oil platform in the North Atlantic Ocean (Livesey & Kearins, 2002; Livesey, 2002). Environmental disasters have also been the catalyst for other environmental change. The Union Carbide disaster in Bhopal, India, was the reason the chemical industry began its Responsible Care voluntary programme. Member companies were required to adopt a code of conduct in an attempt to repair the industry's reputation, although actual implementation has been patchy (Welford, 1995).

Public recognition from regulators and other stakeholders is a fourth key motivation behind firms' participation in VEPs (Mazurek, 1998, Morelli, 1999). Firms may voluntarily adopt changes, or give the appearance of having adopted changes, in order to look good in the eyes of these stakeholders (Oakes, Townley & Cooper, 1998). The U.S. EPA's first VEP was initiated because Congress forced it to publicly release an internal model showing firms' air emissions. Firms fearing pressure from green stakeholders signed-up to a subsequent programme that committed them to emission reductions (Collins, 2002). There are also benefits to be had from the closer working relationship between regulators and business that VEPs can generate. Firms participate in a voluntary environmental programme hoping, directly or indirectly, to eliminate, delay or shape future regulation (Moffet & Bregha, 1999; Storey, Boyd & Dowd, 1999). In New Zealand, the

Clean Streams Accord is an attempt to voluntarily achieve environmental improvement in the dairy sector, but if it fails, regulation will likely follow.

Finally, VEPs give business managers a choice when confronted with environmental challenges. Voluntary programmes such as Clean Streams offer an alternative to government-imposed regulation. A preference for voluntary action may explain why, since the 1990s, the number of VEPs has risen dramatically in many countries (Delmas & Terlaak, 2002; Paton, 2002). New Zealand would appear to be following this trend given the increasing evidence presented at dedicated workshops (e.g. Evans Management Series), conferences (e.g. Sustainable Business Conference) and information disseminated by the Ministry For Environment (MfE), the Sustainable Business Network, NZBCSD and ICANZ Sustainability Working Group. On environmental issues as diverse as climate change, biosecurity, biodiversity, and the multiple impacts of farming, governments are faced with increasingly complex policy challenges and are exploring the non-regulatory approach to achieving environmental objectives. This can be good news for firms considering voluntary environmental programmes in that they may avoid harsher, less flexible regulations. Other good news is that the motivations described above are not incompatible with each other. It is possible to achieve economic benefits as well as gain the other motivations listed above such as recognition from stakeholders (Porter & van der Linde, 1995).

New Zealand and VEPs

VEPs are defined and measured in different ways and inter-country comparisons are not available to our knowledge. Nevertheless we consider New Zealand VEPs in the international context by acknowledging that the institutional or cultural environment of a country can influence the type of voluntary programmes developed within it (Delmas & Terlaak, 2002; Tsutsumi, 2002). Table 3 illustrates this influence with respect to government sponsored VEPs (types 4 and 5 in Table 2). One study reports that the United States has over 40 government-to-industry programmes (involving tens of thousands companies), Europe has more than 300 voluntary agreements with industry associations (again, encompassing thousands

TABLE 3: How New Zealand Compares on Government-Sponsored VEPs

| Country | Common Type of VEP (see Table 2 for definitions) | Cultural Context |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|
| United States | Government-industry challenges (type 4, Table 2) | Low level of trust between regulated and regulators |
| Netherlands | Performance or negotiated agreements (type 5, Table 2) | High level of trust between regulated and regulators |
| Japan | Individual firm agreements (type 1, Table 2 but includes extensive involvement with local government) | Local level relationships important |
| New Zealand | Dissemination of best environmental practices at a variety of government levels (practices do not fall into one of the common types of VEPs depicted in Table 2) | Medium level of trust between regulated and regulators |

TABLE 4: My business engages in the following activities related to the environment*

| Item | Small % | Medium % | Large % |
|---------------------------------------------------------------------------------------------|---------|----------|---------|
| 1 Has a recycling programme | 55 | 54 | 68 |
| 2 Has a company environmental policy statement | 14 | 23 | 52 |
| 3 Produced a public environmental and/or sustainability report | 4 | 5 | 27 |
| 4 Considers the environmental impact of our products, processes and/or services | 44 | 47 | 69 |
| 5 Marketing or image based on environmental claims (e.g. clean, green N.Z.) | 16 | 15 | 24 |
| Has measurable targets for: | | | |
| * Developing employee training programmes related to our social and/or environmental goals. | 8 | 12 | 24 |
| * Reducing waste | 19 | 24 | 35 |
| * Reducing water/energy use | 13 | 20 | 35 |
| 6 Participates in a voluntary environmental programme | 13 | 12 | 35 |
| 7 Is a member of an environmental group or network | 29 | 12 | 40 |
| 8 Has an environment-focused supplier programme | 11 | 8 | 15 |
| 9 Has environmental management systems | 10 | 21 | 46 |
| 10 Don't know | 2 | 2 | - |
| 11 None | 21 | 16 | 7 |
| 12 Other (please specify) | - | 2 | 2 |

*Source: Lawrence and Collins, 2004

of companies), and Japan has more than 30,000 voluntary agreements between individual firms and local agencies (Paton, 2002). In Japan, such voluntary agreements include the local authorities as well as firms and residents' groups to ensure local issues are taken into account. The strengths of this approach are its flexibility and quick response to emerging environmental problems. Flexibility, however, can also be a weakness because it may lead to agreements that are not environmentally effective, especially when involving a firm that dominates the local economy (Tsutsumi, 2002).

The limited research on VEPs in New Zealand suggests that our country may share with Japan a focus on local government when it comes to voluntary environmental initiatives (Goldberg, 2001; Morris, 2000; cf Tsutsumi, 2002). In particular, Goldberg (2001) found district councils or city councils more likely to sponsor activities than central government. However, research points to ways in which New Zealand departs from the Japanese model. New Zealand programmes are more diffused among local, regional and central government than are Japan's. They also typically involve demonstration projects, industry guidelines and training sessions rather than programmes with specific environmental objectives, typical of Japanese VEPs (Morris, 2000).

Looking beyond the New Zealand context for VEPs, the current study provides some detail as to how companies within our nation are taking voluntary environmental action. Again referring to Table 1, the percentage of survey respondents participating in environmental practices varies across the kinds of practices included in the table. The most widespread participation is clearly in a recycling programme

with 56% of respondents indicating their companies engage in this practice. Twenty-five percent and twenty-two percent say they had measurable targets for reducing wastes and reducing water or energy use respectively. These findings, along with respondents reporting elsewhere on the survey that no external group (49%) is putting pressure on their company to improve its environmental practices suggests that some New Zealand firms are taking voluntary action because of environmental concerns.

Beyond these basic environmental practices, survey findings show that twenty-four percent of respondents have formal environmental management systems. Such a system includes an environmental policy, a planned programme of continuous improvement, and periodic audits. Approximately one quarter of sample firms across all size ranges and industries classifications thus report engaging in environmental practices that go beyond very basic programmes like recycling.

These findings for the overall sample are supplemented by an analysis of environmental practices according to company size. This analysis was included because some research indicates that large New Zealand firms may come under more pressure to implement environmental practices (Springett, 2003). Company size was operationalised as the number of full-time equivalent employees, in keeping with the definition used by Statistics New Zealand. Sample firms were classified as small (1-9 employees), medium (10-99 employees), or large (more than 99 employees) and Table 4 reports these findings as the percentage of firms engaging in each practice.

The differences depicted in the table were not significant across small and medium-sized companies. However, the differences reported for large companies are significantly different when compared to the two other size categories. Results clearly indicate that size does matter in environmental practices in that large firms are more involved in implementing such practices. These findings are similar to international research showing that it is typically large businesses that participate in VEPs (Delmas & Terlaak, 2002; Windatt, 1999) – or perhaps more correctly, these businesses participate in more formal VEPs that are more easily recognized and tracked.

Finally, the survey also asked all respondents (regardless of size) to indicate where the pressure came from to improve their firms' environmental practices. In particular, two different questions asked about pressures internal and external to the firm. The most common source of internal pressure was managements' values and beliefs (42%), although 40% also answered that no one was pressuring them internally. The most common response regarding external pressure was that no one external to the firm was pressuring for environmental improvement (49%). Tied for the next most common response was local government (20%) and customers (20%) pressuring for improvement.

This data on pressures for improvement was analysed further by size of company. Large firms reported feeling significantly more pressure - internally and externally - to engage in environmental practices than did small and medium sized firms. In particular, large firms indicated they were likely to feel internal pressure from parent companies (23%), shareholders (24%), employees (37%), and, surprisingly, from management's values and beliefs (58%). Large firms indicated external pressure from the following: customers (30%), central government (30%), and local government (29%).

Discussion

The purpose of this paper was to provide an initial report on the state of voluntary environmental programmes (VEPs) in New Zealand through reviewing the literature and reporting on a survey of 811 New Zealand firms' environmental practices. Findings regarding recycling programmes, reducing waste, and reducing water/energy use all suggest that some New Zealand firms are taking action around issues such as resource depletion, energy use, and the increasing mountain of waste, consistent with our suggestion in the opening paragraph of the paper. The percentages of firms taking these actions could clearly be higher, but New Zealand firms are engaged in environmental practices despite the fact that 49% of those surveyed indicated that no one external to the firm is pressuring them to do so. What is more difficult to assess

is how New Zealand firms compare on these activities with firms in other countries. Previous research suggests that New Zealand firms lag behind internationally (see Springett, 2003 on large firms and Milne et al., 2001, specifically on reporting) but data that is directly comparable to the data obtained from the current survey is not available. Clearly additional research is needed to facilitate such comparisons and the current study best serves as a baseline for future research.

Also, results show that New Zealand is similar to other countries in that large firms are more engaged in environmental practices than are small and medium sized firms. This result is consistent with other research on New Zealand companies' environmental practices (Springett, 2003) and reporting of environmental activities (Milne et al., 2001 and Milne et al., 2003). However, a contribution of the current study is that companies of all sizes were surveyed. Springett (2003) considered only large firms in her study so an explicit

comparison of large and small/medium sized companies was not possible. Despite progress made in the present study, further research is needed to understand the extent to which these differences across company size correspond to analogous differences in other countries. Are they smaller or larger differences and, if so, why?

Current findings additionally shed light on the notion that larger firms feel more pressure to adopt environmental practices. In particular, results provide specific statistical description of where large companies see the pressure to engage

in environmental activities coming from. Respondents said pressure came from stakeholders traditionally identified in the literature such as parent companies, shareholders, and employees. But unexpectedly, 58% of large firms indicated that pressure came from management's values and beliefs. This finding provides some corroboration for the international literature's notion that a key motivator of VEPs is organisational leaders with strong environmental values, as indicated in the earlier literature review. It also suggests a potential research question to be explored in future. Are New Zealand managers' beliefs and values regarding the environment more or less a motivating factor for VEPs than they are for overseas managers?

Inspired to Take Action? Cautions and Guidelines

Although studies show that voluntary programmes are cheaper, more efficient, and more flexible than the traditional regulatory approach (Carraro & Leveque, 1999; Davies & Mazurek, 1996; Delmas & Terlaak, 2002; Gibson, 1999; Moffet & Bregha, 1999), there are aspects that managers need to consider carefully. For example, managers need to recognise that their firms may be more closely scrutinised by stakeholders



Philip Trusstum, *Joker*, 1975, oil on hardboard, Auckland Art Gallery Toi o Tamaki, purchased 1977

such as regulators, the local community, and environmental groups. In some cases, such scrutiny led stakeholders to suggest that firms' VEPs were "green washing," designed to give companies legitimacy rather than instituting actual changes to improve environmental performance (Forbes & Jermier, 2002). Stakeholders also indicated that firms use VEPs as a public relations tool to gain public recognition for previously completed projects (Davies & Mazurek, 1996; Mazurek, 1998; McCarthy, 1995; Steinzor, 1998; Welford, 1995).

Managers embarking on a VEP are also advised to design goals that are achievable and measurable (Mazurek, 1998; Menzies, 2002). Subsequent reporting of these measures can go a long way toward satisfying stakeholders' desire for progress on environmental issues. Another consideration is the value of third party verification in the design of VEPs (Welford, 1995). For example, managers could contract in an environmental auditor on a regular basis, or commit to having a local government agency periodically verify their progress towards environmental goals. Doing so does open a business to greater public examination, but the benefits of ensuring the validity of the company's programme can potentially outweigh this drawback. Similarly, if participation in a government-sponsored VEP is being planned, managers would be wise to consider the extent to which the govern-

ment programme includes measurable targets and perhaps third party verification.

The behaviour of rival firms also needs to be considered when contemplating a voluntary environmental commitment. Competitors could respond by adopting their own environmental initiative and managers need to think through the economic implications of such an imitative response. A VEP requires investment of economic resources upfront and managers typically plan to defray this investment through long term cost savings or, in the case of more ambi-

“...managers' values and beliefs were the most common driver for adoption of environmental practices in New Zealand”

tious projects, increased revenue. Managers should consider the durability of either expected cost savings or revenue increases in the event that competitors choose to imitate a VEP's environmental initiatives.

Conversely, competitors might choose the opposite course and decide not to match a voluntary environmental approach. This inaction also can jeopardise the effort and financial resources invested in a VEP (Delmas & Keller, 2002). For example, non-participant firms may continue to pollute beyond voluntary programme targets, thus creating a nega-

TABLE 5: Guidelines for Implementing VEPs

| | Description of Guideline | Examples | Benefits |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| 1. Start Easy | Formulate simple initiatives with fairly quick payback. | Reducing water and energy consumption. | Positive impact on a firm's economic bottom-line (Porter and van der Linde, 1995 and Elkington, 1997). |
| 2. Think it through | Insure VEP has clear programme objectives and that programme elements are well thought through. | Ben & Jerry's decision to donate ice cream slops to a local pig farmer rather famously resulting in pigs suffering arteriosclerosis (Entine, 1995). | Understand complex interplay of environmental aspects (Springett, 2003). |
| 3. Check as you go. | Assess and monitor progress towards goals. Be prepared to adapt as new information comes to light and unforeseen consequences arise. Arrange independent examination of programme results. | The Body Shop was criticised in the mid-1990s for overstating environmental achievements and was unable to adequately respond because they had not taken this step before. | Ability to respond to stakeholder criticism if it arises (Kearins & Klyn, 1999). |
| 4. Get advice. | Talk through planned initiatives with local government representatives (e.g. clean production programme personnel) or industry groups (Burritt, 2002). | Contact Sustainable Business Network or Ministry for the Environment's Sustainable Industry Group. | Utilization of good information. Building of goodwill with potential regulators. |
| 5. Don't overblow. | Do not to over-promise what can be achieved through these programmes. Do not inflate the results when reporting to stakeholders. | The Cooperative Bank in the U.K. maintained significant public trust even though it followed a reporting approach based on a "warts and all" disclosure. | Engagement and communication with stakeholders (Forbes & Jermier, 2002; Oakes, Townley & Cooper, 1998). |

tive impression that tarnishes the entire industry, including the firm that has embarked on a voluntary approach (Menzies, 2002; Muldoon & Nadarajah, 1999; Windatt, 1999). Such non-participation can damage the industry's reputation, taint governmental relations, and generate bad press. Perhaps this issue is minimised in New Zealand because in a relatively small country firms may be more easily identified with their own environmental practices. Recalcitrant firms may also free-ride on the benefits that a VEP can bring to the industry despite the fact that a single firm took the action and invested the resources. These benefits might include new customers who value "green" products or services. All firms in an industry could benefit from increased revenue while only one firm had to invest the resources that produced these benefits. This non-participation issue may be a consideration in New Zealand industries where many businesses are SMEs

“..VEPs need to be more than just a sideline or add-on”

that face significant resource constraints that may preclude involvement in far-reaching VEPs. On the other hand, it may be possible for New Zealand SMEs to differentiate themselves more clearly from free-riders given the smaller pool of firms that make for more direct customer knowledge.

Finally, current results indicating that pressure for environmental action comes from management's beliefs and values suggest there may be New Zealand managers who have not yet implemented a VEP but who wish to do so. We thus offer those managers guidelines for implementing VEPs in Table 5. These guidelines are loosely based on what has been shown to work internationally. Specifically, they come from several international good practice guides for voluntary environmental programmes: the United National Environmental Programme report entitled, *Voluntary Industry Codes of Conduct for the Environment*; the Canadian eight-step model for developing voluntary codes; guidelines from the UK drafted by non-governmental organisations; drafted and national guidelines, such as the Dutch Guidelines on Covenants (ten Brink, 2002; Burritt, 2002). These guides, however,

are directed toward policymakers wanting to ensure effective VEPs. Building on these ideas, we offer a set of guidelines directed toward managers whose personal belief systems tell them that a voluntary environmental programme is a worthwhile endeavour for their firms.

Conclusion

Although the descriptive data from the survey paints an initial picture of New Zealand firms' environmental practices, it remains difficult to say exactly how New Zealand companies compare internationally on VEPs. Some research indicates that New Zealand is behind other countries in its implementation of environmental practices (see Springett, 2003). Perhaps we are, but it is difficult to find data from other countries to compare to the survey data reported here. The comparison is further complicated by the many types of VEPs possible

and the tendency, as stated earlier, for particular types of VEPs to be more clustered in different countries. Importantly,

the current study provides a baseline toward researching and designing international comparisons regarding VEPs, particularly since it includes businesses from all size and industry categories. Future research can gather descriptive survey data that focuses more finely on particular types of VEPs when making cross country comparisons such as New Zealand and Japan. International comparisons would be greatly facilitated if activities that are clearly VEPs, by international standards, be included when conducting future research.

In sum, we suggest VEPs do offer promise for New Zealand business and the natural environment on which so much depends. But if firms are sincere about achieving significant environmental gains and business enhancement, VEPs need to be more than just a sideline or an add-on. VEPs are serious business.

Suggested Further Reading

Readers interested in environmental initiatives in a New Zealand context could refer to:

Energy Efficiency and Conservation Authority - <http://www.eeca.govt.nz/>
 Ministry for Environment Sustainable Industry Group - www.mfe.govt.nz/
 Natural Step Environment Foundation New Zealand - <http://www.naturalstep.org.nz/>
 New Zealand Business Council for Sustainable Development - <http://www.nzbcscd.org.nz/>
 New Zealand Climate Change Office www.climatechange.govt.nz
 Sustainable Business Network - <http://www.sustainable.org.nz/>

Useful reading on voluntary environmental programmes:

Carraro, C. & Leveque, F. (Eds) (1999) *Voluntary Approaches in Environmental Policy*. Dordrecht: Kluwer.
 Gibson, R.B. (Ed) (1999) *Voluntary Initiatives: The New Politics of Corporate Greening*. Peterborough: Broadview Press.
 Morelli, J. (1999). *Voluntary Environmental Management: The Inevitable Future*. Boca Raton, Florida: Lewis Publishers.
 ten Brink, P (Ed) (2002) *Voluntary Environmental Agreements: Process, Practice and Future Use*. Sheffield: Greenleaf.

REFERENCES

- Andersson, L.M. & Bateman, T.S. (2000). Individual environmental initiative: Championing natural environmental issues in U.S. business organizations. *Academy of Management Journal*, 43 (4): 548-571.
- Burritt, R.L. (2002). Voluntary Agreements: Effectiveness analysis, tools, guidelines and checklist. In ten Brink, P. (Ed) *Voluntary Environmental Agreements: Process, Practice and Future Use* (pp. 367-383). Sheffield: Greenleaf.
- Carraro, C. & Leveque, F. (1999). The rationale and potential of voluntary approaches. In Carraro, C. & Leveque, F. (Eds) *Voluntary Approaches in Environmental Policy* (pp. 1-15). Dordrecht: Kluwer.
- Collins, E. & Starik, M. (2001). Do Voluntary Environmental Programmes Work? A Multi-Stakeholder Perspective of the U.S. Environmental Protection Agency's Project XL. Paper presented at the 2001 Academy of Management Conference, Washington, D.C.
- Collins, E. (2002). A Multi-Stakeholder Evaluation to the U.S. Environmental Protection Agency's 33/50, Climate Wise and Project XL Voluntary Environmental Programme. Ph.D. Dissertation, George Washington University.
- Davies, T. & Mazurek, J. (1996). Industry Incentives for Environmental Improvement: Evaluation of U.S. Federal Initiatives. Washington, D.C.: Resources for the Future for Global Environmental Management Initiative.
- Delmas, M. & Keller, A. (2002). Strategic free riding in voluntary programmes: The case of WasteWise. Presented at the Academy of Management Conference, Denver, CO.
- Delmas, M. & Terlaak, A. (2002). The institutional context of environmental voluntary agreements. In Hoffman, A. & Ventresca, M. (Eds) *Organizations, Policy, and the Natural Environment: Institutional and Strategic Perspectives* (pp. 346-366). Stanford, California: Stanford University Press.
- Elkington, J. (1997). *Cannibals with Forks: The Triple Bottom Line of 21st Century Business*. London: Capstone.
- Entine, J. (1995, October). When rainforest ice cream melts: The messy reality of 'socially responsible business.' *Electronic Journal of Radical Organisation Theory*.
- Forbes, L.C., Jermier, J.M. (2002). The institutionalization of voluntary organizational greening and the ideals of environmentalism: Lessons about official culture from symbolic organization theory. In Hoffman, A. & Ventresca, M. (Eds) *Organizations, Policy, and the Natural Environment: Institutional and Strategic Perspectives* (pp. 194-213). Stanford, CA: Stanford University Press.
- Gibson, R.B. (1999). Questions about a gift horse. In Gibson, R.B. (Ed) *Voluntary Initiatives: The New Politics of Corporate Greening* (pp. 3-12). Peterborough: Broadview Press.
- Goldberg, E. (2001). Stocktake of local government/private sector/NGO activities in support of environmentally sustainable business initiatives. Report compiled for the Ministry for the Environment. Downloaded from www.mfe.govt.nz on 27/01/04.
- Kearins, K. N. & Kljyn, B. (1999). The Body Shop International: The marketing of principles along with products. In M. Charter & M. J. Polonsky (Eds.). *Greener marketing: A global perspective to greening marketing practice* (2nd Ed) (pp. 285-299). Sheffield: Greenleaf.
- Lawrence, S. & Collins, E. (2004). Sustainability Practices of New Zealand Business. University of Waikato Management School. Report online, www.management.ac.nz/rethink.
- Livesey, S.M. (2002). The discourse of the middle ground. *Management Communication Quarterly*, 15 (3): 313-350.
- Livesey, S.M. & Kearins, K. (2002). Transparent and caring corporations? A study of sustainability reports by The Body Shop and Royal Dutch/Shell. *Organization & Environment*, 15 (3): 233-260.
- Lynes, J. & Gibson, R. (1998, March 22). Voluntary corporate initiatives for environmental improvement; Six categories of voluntary initiatives. *Alternatives Journal*. University of Waterloo (Canada), 18-21.
- Mazurek, J. (1998). The Use of Voluntary Agreements in the United States: An Initial Survey. Organization for Economic Co-operation and Development (OECD). Working Party on Economic and Environmental Policy Integration. ENV/EPOC/GEEI (98)27/FINAL.
- McCarthy, J. E. (1995). *Voluntary Programmes to Reduce Pollution*. Washington, D.C.: Congressional Research Service, July 13. pp. 95-817
- Menzies, D. (2002). Conflict or Collaboration? The New Zealand Forest Accord. In ten Brink, P. (Ed) *Voluntary Environmental Agreements: Process, Practice and Future Use* (pp. 95-106). Sheffield: Greenleaf.
- Milne, M.J., Owen, D.L. & Tilt C.A. (2001). Corporate environmental reporting: Are New Zealand companies being left behind? *University of Auckland Business Review*, 3(2): 24-36.
- Milne, M.J., Tregidga, H. & Walton, S. (2003). The triple bottom line: Benchmarking New Zealand's early reporters. *University of Auckland Business Review*, 5(2): 36-50.
- Moffet, J. and Bregha, F. (1999). Non-regulatory environmental measures. In Gibson, R.B. (Ed) *Voluntary Initiatives: The New Politics of Corporate Greening* (pp. 15-31). Peterborough, Canada: Broadview Press.
- Morelli, J. (1999). *Voluntary Environmental Management: The Inevitable Future*. Boca Raton, Florida: Lewis Publishers.
- Morris, B. (2000). Corporate Participation in a Cleaner Production Voluntary Initiative. Master Thesis, University of Waikato.
- Muldoon, P. and Nadarajah, R. (1999). A sober second look. In Gibson, R.B. (Ed) *Voluntary Initiatives: The New Politics of Corporate Greening* (pp. 51-65). Peterborough, Canada: Broadview Press.
- New Zealand Herald (16 June 2003). 'Heated talk expected on streams policy.'
- Oakes, L.S., Townley, B. & Cooper, D.J. (1998). Business planning as pedagogy: Language and control in a changing institutional field. *Administrative Science Quarterly*, 43: 257-292.
- Paton, B. (2000). Voluntary environmental initiatives and sustainable industry. *Business Strategy and the Environment*, 9: 328-338.
- Paton, B. (2002). Voluntary environmental initiatives and sustainable industry. In ten Brink, P. (Ed) *Voluntary Environmental Agreements: Process, Practice and Future Use* (pp. 37-49). Sheffield: Greenleaf.
- Porter, M.E. & van der Linde, C. (1995). Green and competitive: An underlying logic links the environment, resource productivity, innovation, and competitiveness. *Harvard Business Review*, (73) 5: 120-129.
- Springett, D. (2003). An 'Incitement to Discourse': Benchmarking as a Springboard for Sustainable Development. *Business Strategy and the Environment*, 12(1): 1-11.
- Steinzor, R.I. (1998). Reinventing environmental regulation: The dangerous journey from command to self-control. *28 Environmental Law Review*, 22: 103-202.
- Storey, M., Boyd, G., and Dowd, J. (1999). Voluntary agreements with industry. In Carraro, C. & Leveque, F. (Eds) *Voluntary Approaches in Environmental Policy* (pp. 187-207). Dordrecht: Kluwer.
- ten Brink, P. (2002). Future Use: Tools for developing agreements – Introduction. In ten Brink, P. (Ed) *Voluntary Environmental Agreements: Process, Practice and Future Use* (pp. 358-366). Sheffield: Greenleaf.
- Tsutsumi, R. (2002). Successful application of environmental agreements in local communities: Perspectives from environment and pollution control agreements in Japan. In ten Brink, P. (Ed) *Voluntary Environmental Agreements: Process, Practice and Future Use* (pp. 107-119). Sheffield, UK: Greenleaf.
- Welford, R. (1995). *Environmental Strategy and Sustainable Development: The Corporate Challenge for the 21st Century*. London: Routledge.
- Windatt, E. (1999). Reluctant followers. In Gibson, R.B. (Ed) *Voluntary Initiatives: The New Politics of Corporate Greening* (pp. 149-158).. Peterborough: Broadview Press.
- Winn, M. I. (1995). Corporate leadership and policies for the natural environment. In Collins, D. & Starik, M. (Eds.) *Research in Corporate Social Performance and Policy: Sustaining the Natural Environment: Empirical Studies on the Interface between Nature and Organizations* (pp. 127-162). Greenwich, Connecticut: JAI Press.