



Research paper

Technique Selection of Corporation by considering the Environmental Restraints

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ABSTRACT

Demands of Individuals and the government for corporation environmental conservation are so stern. Corporation encounters a danger of environmental conservation. Environmental restraints contain important elements that should be regarded in corporation strategic control planning. This study explains the connection between environmental rule and corporation competitiveness and presents the elements that impact corporation environmental technique selection. It investigates the impact on the corporation. The competitiveness that corporation assumes various environmental control techniques and suggests various corporation strategic selection countermeasures by environmental restraints.



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Introduction

The economy of China has advanced quickly over the past 3 decades when environmental contamination has become so severe. Today, people have arranged a higher standard for China's environmental rate. Thus, the government of China should assume considerable severe approaches for improving the environmental rate that changes it so challenging to corporations to fulfill the environmental standard. The people committed the cost of corporations' environmental contamination that in the future corporations would expend more for environmental preservation in avoidance of being halted by the government. The corporations' revenue would diminish if the whole outcome remain at the identical class as before and a more severe procedure means higher environmental treatment costs for corporations. Thus, for coordinating the paradox between industrial development and environmental preservation to corporations for producing as many outcomes as possible and decreases resource use and contamination (Ye & Wu 2010). Therefore, it is so

important for corporations for checking their technique in the new situation. This study will explain the characteristics which impacted the technique selection of corporations and would present various corporation strategic selection countermeasures with environmental restraints.

The connection between environmental Rule and corporations' competitiveness

Investigators from academic circles have accomplished many investigations on the connection between environmental rule and the competitiveness of corporations in the theoretical and empirical aspects. They comprised 2 principal ideas: the classic theory and the Potter theory. The classic theory regards that environmental rule would cause corporations to raise investments to treat and deterrence of contamination, such as purchasing contaminated treatment tools, environmental taxes, and paying process team and control team salaries. Risen contamination management costs wouldn't enhance the capacity of corporations' production, and it would occupy additional productive enterprise

funds (Walley & Whitehead 1994). Thus, the environmental rule would decrease the performance of manager work, prevent regular technical novation, and eventually cause decreasing productivity of corporation and reducing corporation competitiveness. Potter's theory considers that correctly organized environmental rules could inspire corporation novation and increase income by raising production performance. In comparison with corporations that don't assume environmental rules, it would cause a definite advantage (Porter & Vander 1995). The advantages reach from "novation recompense" obtained from the product or procedure novation, or "first-mover advantage" obtained from the corporation first to take the environment friendly measures. "Novation recompense" is general, since the reduction of contamination often occurred by raising of productivity and resource use meanwhile.

Characteristics, which Affect Corporation Strategy Selection

Various corporations that encountered environmental rule restraints can choose various environmental techniques in various cases; some of them could choose positive and cooperative behavior and some can choose negative confrontational behavior. Inner features that impact corporation's environmental strategic selections contain the corporation's technical situations, business technique positioning, the exterior elements which influence environmental strategic selections containing environmental rule intensity, market situations, and competitors' behavior.

Advantages of Environmental Technology

The advantages of corporations' enhancing environmental technologies are the essential reason, which force corporations to take positive environmental management measures. If the advantages of corporation environmental management are less in comparison with the environmental management of corporation cost, the corporation's enthusiasm for carrying out environmental management would be decreased (Barbera & Mcconnell 1990).

While a corporation has generated a more acceptable environmental performance production, departments of government and controllers must withstand or penalize bad productions for preventing the effect on green environmental productions, in other ways, corporations that produce environmental production are hard for obtaining anticipated market rescues that would diminish environmental corporations' eagerness for developing better green productions (Chen 2011).

The Environmental Rule severity

While environmental controllers develop standards of the severe environmental rule and

intensify performance and administration of the environmental rule standard, corporations' cost of environmental products would be significantly enhanced. Corporations must regard environmental technologies or environmental production as a crucial factor that could affect the strategy of corporations. Due to severing the environmental rule, some corporations can advance technical inputs on environmental preservation, some can intensify environmental public connections, also some can handle their instincts on illegal release. Variable degrees of environmental rules standards would cause various corporations assume other behavior.

The Technical Strength Corporation Environment

Various corporations want to possess various sizes of environmental technical strength, and for coping with environmental rule's behavior techniques are various. Corporations of various sizes sometimes have diverse environmental technology powers, but their behavioral techniques in respond for the environmental rules aren't identical. The fairly extensive size corporations' environment technical are powerful, the control of the regulatory infractions by people and controllers is fairly simple, corporations themselves attend to the public's image and fame, and corporations' chance cost that is generated by withstanding environmental rule could be so heavy. In big corporations, the failures generated by irregularities would be more in comparison with the upgrading technology cost for protecting the environment. Small corporations don't have the comparative benefit of technological updating. The power for absorbing the environmental technology cost is frail; therefore, they can be despairing for escaping environmental rule.

Preferences of users for Production Environment Performance:

User approval of the environmental function of production and its procedure has a significant effect on the market for environmental products. While users encountered the identical performance of non-environmental productions and environmental productions, if they select environmental productions, the market motivation would cause environmental production to gain a premium from social acceptance, and this premium would make the corporations that have comparative benefit in environment technology obtain a unique competitive benefit (Liu et al. 2009). Users' environmental choices would affect corporations' production strategic options

Influence of Environmental Procedures on Corporations' Technique

Various corporations assume diverse techniques for environmental management.

Environmental techniques are in 2 classifications: positive environmental techniques and negative environmental procedures. Negative environmental techniques are negative cope environmental techniques that passively response for the environmental rules, and positive environmental techniques could be separated into danger aversion environmental techniques and follow options environmental techniques.

The Impact of Negative cope Environmental techniques on Corporations' Competitiveness:

Some of the corporations that assumed negative cope environmental techniques to the environmental rules are small and medium-sized contaminants. Those corporations offset to internalize environmental costs business earnings via the principal corporation earnings; therefore, they lose the readiness and power for environmental treatment. Local governments would settle the control of contaminating corporations for the reason of economic development cause the environmental rule procedure failure. The environmental regulatory failure causes companies to encounter smaller forces from the environmental costs' internalization; corporations could just require for taking fewer costs of following environmental rule. The technique might obtain high advantages for the corporation in fact, and cause the corporations' competitive capability to get elevated for the short time, particularly in locations where the earnings aren't more or user goods shortage. Whereas in a long time, environmental rule procedure would be hardened, then the corporations that persist environmental techniques negatively would be high against the powerful economical and organizational penalty, or be forced for taking environmental treatment; environmental regulations costs would increase largely that presents a severe threat to the corporations' competitiveness (Ma &Chen 2010).

The Risk Aversion Environmental Techniques' Impact on Corporations' Competitiveness

Corporations that accept risk aversion environmental techniques set up particular contamination treatment facilities or update environmental treatment tools to satisfy environmental criteria of contamination release. Big corporations have a large scale and outcome; their unit production cost increase is less than unit product contamination treatment cost increase, then they have better cost benefits for upgrading tools or choosing contamination treatment facilities, and could get this part of contamination treatment costs more simply. With severe environmental rule restraints, big corporations will gain more benefits if they select risk aversion environmental techniques. They gain more scale impact of contamination treatment, setting up corporations' images of concern for the environment preservation and

improving corporations' competitiveness. For the corporations that are small and medium in size that have old strategies, obsolete tools, and high levels of contamination, risk aversion environmental techniques aren't the most suitable selection. They could choose risk aversion environmental techniques with updating environmental treatment tools for improving performance and reducing environmental contaminations that could cause encounter environmental rule conditions, enhance the market competitiveness of corporations and solve the corporation survival problem.

The corporations are small and medium in size corporations by small scale and product; therefore, the unit product cost increase is greater in comparison with the unit product contamination treatment costs increase. These corporations are less capable for attract environmental costs. Massive cost pressure makes corporations unable to establish contamination treatment facilities and be driven out of the market, or select end-of-pipe treatment strategies that possess a cost benefit, or expend the costs for arranging of contaminants. Accepting risk aversion environmental techniques could harm those corporations' competitiveness that are small and medium in size and environmental preservation goal is hard to reach.

The Environmental Techniques of Chance Affect in the Corporations' Competitiveness

Corporations that assume chance environmental techniques are high corrosion of big corporations at an economic and social growth rank or outstanding corporations in the industry. Since these corporations in the countenance of environmental litigation risk and slowly growing pressures from users, market, financiers, banks, and insurance enterprises, corporations' environmental techniques slowly switch from negative cope environmental techniques or risk aversion environmental techniques to chance environmental techniques. Corporations that take the chance environmental techniques could decrease the outcomes' damage to the environment and could decrease the waste outcome, contamination release, and process costs in the production life end that assure durable use of sources and a fine ecologic environment.

Various Corporation Technique Selection by Environmental Restraints

Various corporations maintain their existing positions and administrative rules that drive them to assume various techniques for environmental control. The related association manage corporation environmental techniques selection and contamination management methods assumed by the corporation are such as: negative cope environmental techniques- take end-of-pipe

treatment procedures or expend the costs for disposing of contaminants; risk aversion environmental techniques- updating tools or set up particular contaminants treatment establishments, and chance environmental techniques of environmental technology innovation (Ma& Chen 2010).

Corporations that are small and medium in size choosing techniques by Considering Environmental Restraints:

Corporations that are small and medium in size, assuming negative cope environmental techniques could be useful in the short-lived while isn't the most suitable selection in the long term. The environmental rule procedure would desire to be more stringent. If corporations assume negative cope environmental techniques for resisting environmental rule, they would encounter extreme economic and organizational fines or be pushed to achieve contamination management. Dashing raising the rule cost would create a severe danger to small and medium corporations' permanence. The corporations that are small and medium in size accepting the risk aversion environmental technique isn't so economical, furthermore, it needs government to assume practical environmental rule procedures for these corporations. In the environmental rule, the government must supply sufficient motivations for the corporations that are small and medium whereas must help SMEs to overwhelm economical and non-economical characteristics, which determine corporations for promoting the pollution control ability (Guo 2007). Meantime, small corporations must carry out technological creation industriously, improve the competitiveness of corporations in responding to environmental management needs, and attain enduring growth.

Medium and Large Corporations technique selection by Environmental Restraints:

The corporation rational scale is helpful to the progress of environmental technology performance. Large and medium corporations are appropriate to assume risk aversion environmental techniques that could cause contamination releases to encounter environmental criteria via setting certain contamination treatment facilities or updating environmental treatment tools. Bigger corporations' environmental costs calculate a less ratio of the whole cost, set up upgrading tools or set up contaminants treatment facilities to include more cost benefits, and corporations could attract this amount of cost simpler. Larger and medium corporations select risk aversion environmental techniques that could erect corporations' image for the environment preservation trouble, decrease environmental risks, and create environmental

preservation and competitiveness for corporations enhanced.

Big corporations' techniques selection by considering the environmental restraint:

In big corporations, they must assume positive environmental techniques. Corporations with a high economic and social growth level by high contaminant or leading corporations in the industry are more appropriate for accepting chance environmental techniques (Li 2012). These corporations, market-driving characteristics evolve significant impact characteristics of corporation environmental control determinations. These corporations consider environmental preservation as a chance for creativity and search for opportunities generated by the procedure of positive environmental treatment for improving corporations' profitability and market situation. Corporations that perform positive creation on environmental productions and methods are that kind of corporation defined in Porter's theory, they pay for the cost of environmental rule by creation and might gain specific positive advantages. Connected investigations have verified that the separate investigation and growth of environmental treatment has considerable assistance to facilitate environmental technology performance, technical creation has a considerable negative impact on the environmental technology performance and technology import is a critical method for improving environmental technology performance.

Conclusion

Various corporations would assume various environmental techniques in various possibilities while they encounter environmental rule restraints. Environmental technology advantages, the severity of environmental rules, corporations' technical power, users' choices for product environmental performance, and other environmental characteristics would affect corporations' environmental technique preferences. Various corporations assume various environmental techniques, negative environmental techniques are negative cope environmental techniques, and positive environmental techniques could be separated to risk aversion environmental technique and opportunity environmental technique.

For corporations that are small and medium, assuming negative cope environmental techniques might be advantageous in the short-lived, whereas isn't the most suitable selection in a long time. Large corporations must assume positive environmental techniques.

Bigger corporations are appropriate for assuming risk aversion environment techniques via the specifying particular contamination treatment facilities or updating tools for making contaminant releases encounter environmental criteria. Big

corporations with high contaminants or outstanding corporations in the industry are so appropriate for assuming environmental techniques of opportunity. They could pay for the environmental rule cost and gain developed competitiveness by creation in environmental treatment.

Conflict of interest

The authors declare that they have no conflict of interest.

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