

Market Readiness and the Success of Green Implementations: Are they Linked?

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Abstract:

Several issues have been raised recently concerning the future of our planet. How to grow without destroying the environment where we live? Become the main question nowadays, and to find the answer there are several researches have been conducted that covers different fields of knowledge. Business sector is one of the sectors that has been involved through the influence of their processes on the environment. Green practices are one of the trends in the market nowadays. However, several obstacles hinder the movement towards green growth goals. Hence, determining factors that can lead to establish green processes within the organization is one of the key concerns of the academicians and practitioners. Therefore, this is a conceptual paper that shares the perspective of the authors concerning this issue. In this paper, the authors introduce a few strategic steps that need to be taken by companies to enhance the successful possibilities of green initiatives. Accordingly, proactive green market orientation along with green knowledge management are two important strategies that need to be implemented by the companies before taking serious steps along the green path. The main target of these two suggested approaches is to reduce the risk and the bad impacts of failure.

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I. INTRODUCTION

Sustainability is the call of many stakeholders, i.e., society, government, scholars, etc. Unfortunately, it has been found that many of the economic plans to grow clash with the target of sustainability. Although awareness regarding green issues has increased, the resonance from the environment in response to the consequences of economic growth is becoming increasingly strong. The dilemma that society is now facing is that stopping the economic growth plans is not only impossible, but, even though it is hurting the sustainability of the planet, turning back is not deemed logical. Therefore, the gap between economic growth and the calls for sustainability have triggered the interest of scholars to find the best way to grow in green ways. As a

result, efforts have been made to explore what has been termed as green technology to bring the green growth target to life. Hence, several funds and scholarships have been assigned to sponsor all the ideas and studies to introduce technologies that can reduce the waste of the operations, consumption of energy, and the recycling processes to reduce the negative impact on the earth by using safe materials, etc. So far, steps have been implemented, especially in developed countries, to save the planet from the negative impact of the operational processes. However, the main challenge faced by green growth is the adoption rate and the readiness of the relevant parties to transform to green practices.

The slow movement toward green practices by the stakeholders is one of the obstacles that need to be

addressed. The costs and risks associated with the green option are among the top reasons for avoiding going green. Although the cost implications of the green initiatives are arguable, and notwithstanding the evidence that affirms the contribution of green technology in terms of a reduction in the costs and waste in the long run, the market risks still need to be overcome with suitable strategies. Therefore, studies in the managerial field need to be conducted to create and upgrade the knowledge concerning how to manage the green growth option. For any kind of business, support from the parties involved is needed to succeed and survive. Therefore, establishing a network, and finding mutual interests with relevant stakeholders to share gains and losses is considered to be a necessary pre-process before taking actual steps. Likewise, green practices, where going green is considered to be a way of starting up a new business that needs to look at different angles to grow successfully. Looking at the steps taken to provide the technologies that can justify the green option, the question concerning the slowness in reaching green goals appears to clearly push the concerned parties to figure out how to tackle these issues.

Arguably, beside the efficiency in the operations that companies can achieve by going green, companies need further encouragement to move towards going green. Therefore, obtaining support from the surrounding environment is essential. However, waiting for something to happen is a passive option in the business field, and, therefore, creating a suitable environment to grow is a critical decision, especially as going green will soon become the imperative option to adopt. In this regard, the review of the literature reveals the concept of proactive market orientation (Arshad et al., 2018), which, according to Narver et al. (2004), is the process of determining the latent needs in the market and trying to take the first step in the market by fulfilling this need. Basically, market orientation has been classified into two major parts or processes, i.e., proactive and responsive market orientation (Narver

et al., 2004). Figure 1 is a conceptual framework of the flow of the market orientation process. According to the responsive market orientation, the companies will be directed by the market, and, therefore, they have flexibility to move with market trends. However, the proactive market orientation tends to be for innovative companies that look for the latent needs in the market.

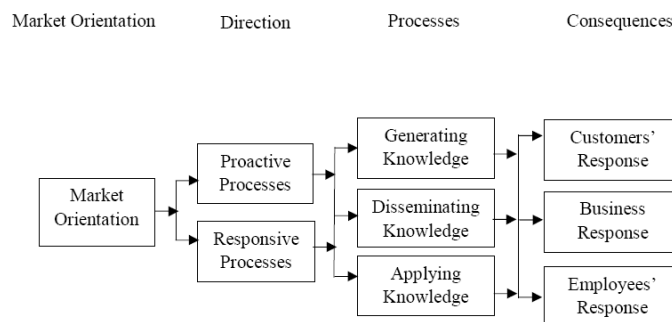


Figure 1: market orientation processes and consequences

In the green context, this paper introduces proactive market orientation in a different way in which the companies try to play a role to prepare and develop the market for the next step in the future. Accordingly, the proactive green market orientation is the process that a company needs to engage in as it is through this that the company obtains the support from the market toward the green steps of the firm. Looking at the concept of proactive market orientation, the company leads the customers and the market through introducing products that reveal the unseen needs now. From this perspective, the proactive green market orientation adds to this concept by including the processes that lead to restructuring and reforming the market to adapt to the new trends imposed (Yusr et al., 2018a). Although we agree with the studies that considered green practices as part of innovation processes, we still believe that adopting green practices requires a major transformation that goes beyond innovation. For green practices to be implemented successfully, strong support from the market through which the uncertainty will be minimized is essential. The risk of changing from traditional technology to green technology and how deep these practices go in terms of the organization's

structure, will influence the pain the company will face if the implementation fails. Therefore, companies need to push the green marketing strategy as part of the proactive green market orientation to generate awareness concerning the need for green practices. This strategy needs to be applied both upstream and downstream.

The proactive green marketing approach helps companies to determine the potential market, or, to create the market. Therefore, it is essential that the companies get involved and collaborate with the government efforts to apply and achieve the green agenda. This study highly recommends that policymakers encourage the business sector to play a leading role in creating a green community. The role of the business sector is critical to achieve the green agenda due to the links between the business sector and the market and customers. Hence, there are two pushing factors that drive companies to change and adopt new technologies. First, the internal factors, in which the companies will have a tendency to adopt new technologies that can contribute in reducing the operation costs and enhance the performance and capabilities of the company through which the revenue will be affected positively. Second, the external factors where the common trends force the companies to move accordingly to maintain their place in the market. External factors deal with competition, new technologies, customers, and business partners, etc., which create some pressure on the companies to move toward the needs of the market. During the interviews conducted in 2019 with the CEOs of a few manufacturing companies in Malaysia that had taken a step to be green, most of the respondents stated that among the top reasons behind their initiative was the pressure from the business customer/player that placed green practices as one of the criteria to have a chance to compete in any tender or to continue the current business. The second reason is the efficiency goals that companies look to achieve as a strategy to enhance their revenue. Although green technology is expensive to apply, the fact that green technology contributes in

reducing the waste, energy used, and raw materials, and in recycling the old products, companies are encouraged to take steps toward being a green company. However, the pressure from the customer side is absent.

Therefore, we argue that this is the missing part related to the market, especially that the role of customers contributes to the slow mood of movement toward green practice adoption in the community. Consequently, as green technology provides advantages to the companies, which cannot be ignored and will soon be imperative, companies must take steps to reduce the risks of adopting green technology. In this context, professionals have determined several kinds of risk that companies need to address (Pedini & Ashuri, 2010), for instance:

Market risk: there are doubts in the market regarding the reality of green practices, in that there are those who still believe that green practices are a sort of marketing strategy used by companies to enhance sales. In addition, there is a belief in certain segments of the market that the products offered under green practices only provide benefits to the companies and not to the environment. Such attitudes in the market negatively affect the acceptance and support of the customers to the green growth goals, especially in developing countries.

Industry risk: the level of education within the industry is insufficient, which affects the collaboration among the industrial players. Collaboration is one of the strategies to reduce the risk and bad impact of failure when implementing or producing new technology, products, process, etc. This situation hinders the adoption of green technology even though the company itself is ready to go green, the lack of collaboration due to the lack of partners makes it very costly and risky.

Financial risk: the possibility of loss if the green technology being adopted does not perform as expected. This status is considered to be one of the obstacles facing the green growth process, where the lack of experience, high cost of adoption, and the

major transformation processes required cause the companies to reduce the momentum to adopt such green technology.

Looking at the main sources of risk, we can determine that one of the major factors behind the risk to go green is the lack of green knowledge. Therefore, green knowledge management is needed to manage the internal and external environment through generating, disseminating, and applying green knowledge (Yusr et al., 2018b). As mentioned previously, there is a need to fulfil the gap in the efforts being paid to practice green, especially among the developing countries. Therefore, one of the outputs of the proactive green market orientation of the companies is to build up green knowledge management processes. Doubtlessly, in order to transform to a green company, organizations need to pay more attention to the market and prepare the environment that leads to the success of green implementation.

II. CONCLUSION

In conclusion, we argue in this paper that proactive green market orientation processes need to be practiced through which companies take the initiative to educate the market. In turn, these processes will generate the relevant green knowledge through which the answer to be green will be provided to the industrial players and customers. Disseminating green knowledge is another target to answer how to be green. Lastly, and most importantly, is applying green knowledge in the organization processes, where the answer concerning what the benefits of being green are offered to the business and the customers.

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