Sustainability and business: what is green corporate image?

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Abstract. Green corporate image is reckon to be the driving factor in the current business setups. Stakeholder's green perception of the firm encourages growth of businesses. Organisation is moving from conventional businesses to running businesses with sustainable agenda that creates values to their brand. This paper analyses several green corporate image initiatives and concepts by various researches and shares how this can be essential for business.

1..Introduction

In recent years, more and more organisations are looking into progress and success not just through their financial balance. Success is measured through business growth, its stakeholders and how these stakeholders perceive its organisation. This paper intends to share various concepts related to sustainability in business and clarify the definition of Green Corporate Image (GCI) and its importance. Taking businesses one step further in the past decades, businesses are seen to incorporate sustainability agenda in their businesses. Sustainability is defined as the key factor to meet the current need without affecting the future generation. It is now one of the key factor of a successful business.

Kumar and Christodoulopoulou (2013) explains 'sustainability's scientific knowledge appears to be multidisciplinary in nature with many components or explained in different terms such as sustainability development, triple bottom line, green business, environmental management, corporate social responsibility and corporate citizenship'. In managing these sustainability activities, Gonzalez and Gonzalez, (2005) categorized the transformation towards environmental sustainability into three areas which are the planning and organizational practices in the management area, operational practices in the operations area and communicational practices in the marketing area. Hence, the above clearly supports the idea and importance given to sustainability in current business.

1. Sustainability and Businesses

Cramer and Karabell in their book Sustainable Excellence claims that in order for businesses to survive and thrive in this twenty first century, they not only have to measure its success in their financial aspects but instead to work towards discovering a formula to incorporate sustainability measures as part of their performance. Businesses will have to ensure they have sustainable components to achieve competitive advantage or face suffocation and die a natural death (Namkung and Jang, 2012. Chang, 2010 shares views of Bansal, 2005 and Barnet, 2007 in his paper on how companies faces a growing pressure to go green and reduce environmental effect. He further argues on consumers' green buying intention which is in line with their concern for the environment. Businesses need to add value to the society as a whole, hence include sustainability elements and shift from shareholder capitalism to responsible capitalism (V.Kumar, 2014).

There are many researchers conducted on sustainability in business. We would like to examine them and divide into 3 categories; green growth and challenge, green branding and green and sustainable reporting.

2.1. Green growth and green challenge

Too and Bajracharya, (2013) states in their research that the number of consumers preferring to purchase from companies that care about sustainability is growing. This statement is further strengthen by Namkung and Jang, (2013) in their paper by stating customers are more likely to choose a green restaurant which supports more green experiences and involvement. In the current business era, although most leading brands have moved towards developing and introducing eco-friendly products, it still faces major challenge to overcome consumer scepticism about their green operations and green attributes (Kumar and Christodoulopoulou, 2014). This is seen as greenwashing where many organisations claim to be green when they are not actually practicing it.

Another reason why it is a challenge is because the sustainability research and social sustainability attributes is difficult to measure. This is mainly because each industry faces their own and unique sustainability challenge which makes sustainability communication across various industries difficult to compare (Anne H Reilly, Katherine A.Hynan, 2014). Hooi, Hassan & Che Mat, (2012) further supports the statement by saying there is no generic approach to suit all organisation when it comes to sustainability measurement and communication.

2.2 Green branding

As explained in the earlier chapter, incorporating sustainability into branding can enhance a firm's ability to appeal to its customers that are concern about the environment. Integrating green attributes, initiatives and practices into a corporate brand improves the perception of customer that is linked to environmental commitments and concern, hence gain a competitive advantage (Too and Bajracharya, 2013). Namkung and Jang, 2013 says the same in their research. They believe that the corporate image is expressed as a function of a salient attributes of a business that drives its customers to compare with another business. Many researches support the statement that greening has become a key factor in a business survival and that businesses are much more sensitive to sustainable agenda (Ng, Butt, Khong, Ong, 2013). Therefore, there is a consistence evidence in the growing interest on marketing researches and practitioners in the firm environmental issues and their impacts towards the marketing activities and firm performance.

2.3 Green and sustainable reporting

While being seen sustainable appears to be a necessity in the current business environment, it is also crucial to communicate these green activities via active reporting to stakeholders in order to gain a competitive advantage (Hartmann, P., et. al., 2005, Aaker, 1991, Keller 2003, Namkung and Jang, 2012). Other researches Hillestad et al., (2010) explains that the reason firms give importance to environmental reporting is because they want to show the public that the top level management of the firm takes green issues seriously and this helps promote positive green image. (Nair and Menon, 2008). Green reporting is seen crucial as it has shown to improve firm performance. Even social media activities for green firms are far more then non green firms (Too and Bajracharya, 2013 and Reilly, A.Hynan, 2014).

3.   Current research on Green Corporate Image (GCI)

The definition of corporate image is seen as what the stakeholders perceive the organisation as a business (Van Riel and Fombrun, 2007, Javier et.al, 2014). Corporate image is perceived as the feature of an organisation in the eye of its stakeholders. It is the desired general impression of the organisation in the minds of its stakeholders. Organisations spends its vital resources i.e. money, time, people and etc to build a strong corporate image (James Poon, 2000). Studies has shown that through this image, companies tend to secure a position in the industry and create a competitive edge for themselves (Too and Bajracharya, 2013, Ko, Hwang and Kim, 2012 and Namkung and Jang, 2012).

Several research has focused on green corporate image (GCI) across various industries. Studies have indicated diverse effect of GCI on several internal and external organizational factors such as

employee work life, top management support and commitment, firm performance, buying intentions and more (Table 1). However, these studies don't examine the relationship with other similar concepts, like sustainability, green reporting, and green branding.

Literature	Reviews
Nair and Menon, 2008	It is the effort firms take to create the positive green image
Hillestad et. al., 2010	Green corporate image imposes believe that decision makers takes green issues seriously
Chen (2008)	Companies which invest in efforts on environmental issue, are able to improve their corporate images and to develop new market as well as to increase their competitive advantage.
Namkung and Jang (2013),	Green practices significantly influence customer perceptions of a brand's green image and green behavioural intentions.

Table 1 : Literature on Green Corporate Image

Moving on from being sustainable, how does these effort and initiatives drives firms towards actually being sustainable and seen sustainable by stakeholders? More and more firms are keen to portray themselves as being a sustainable brand. A jargon commonly used in the marketing field as 'Corporate Image' has found its own identity to lead the industry as 'Green Corporate Image' (GCI). Green corporate image is a combination of firm's concern on the image of its business as being environmentally concerned. Green corporate image is an effect brought by Green Branding. Green branding or also known as sustainable branding are brands that consumer associates with environment and sustainable business practices. Green brands refers directly to the green product and practices of the firm where else green corporate image derives from the green perception of its stakeholders.

There are a few researches that shows a positive relationship between Corporate Image and customer satisfaction, customer loyalty (Nai and Cher, 2010, Joanna et.al., 2009) and firm performance (Javier et. al., 2014). Other researches also supports the positive relationship between green practices and improvement in firm image (Miles and Russell, 1997 and Chen, 2008). However, there is a clear gap in the study area of green practices in different industries (Poon et.al., 2000) and there isn't a clear evidence on the relationship between environmental management and firm performance (Javier et. al., 2014). The relevance of green corporate image management will depend on the industry in which the firm operates (Frooman, 1999).

4. Conclusion

In this study, we examined prior research regarding sustainability in business. There are a lot of similar concepts regarding sustainability in business. First of all, we categorized these research into 3 types. Next, we focused on 'Green Corporate Image' and clarified the relationship between GCI and other concepts. To the end, we have pointed out that the research regarding the corporate performance and GCI is limited. For further research, we would like to focus on the GCI in Malaysian companies, especially in energy industry. Energy industry is one of the leading industries in Malaysia and GCI is the significant factor for these firms to grow. This being said, there is not much research focusing on the energy industry especially in Malaysia. Therefore, there is a clear avenue for research on the green practices and firm performance in the energy industry in Malaysia. Further research should also look into how the green corporate image in the energy industry improve firm performance.

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