

Large corporations can improve the environment by taking risks and innovating, according to a study

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Businesses with dynamic, risk-taking cultures can be leaders in delivering positive environmental changes quickly, according to a study

from the University of Surrey.

Researchers surveyed 249 managers from multinational enterprises (MNEs) in Turkey and studied how well companies apply dynamic capabilities—their ability to adapt products and strategies in response to [technological advancements](#) and shifting consumer preferences. The study found that MNEs deploying dynamic capabilities collaborate better with suppliers to improve environmental practices.

The study is [published](#) in the journal *International Business Review*.

MNEs willing to take risks and try new approaches benefit more, especially with simpler environmental challenges like imposing sustainability standards, encouraging cleaner production, or waste reduction strategies.

These findings offer valuable insights for businesses and policymakers. MNEs can use dynamic capabilities to build strong [supplier](#) relationships focused on environmental solutions.

Dr. Abderaouf Bouguerra, Senior Lecturer (Associate Professor) in Strategy and International Business at the University of Surrey, said, "Utilizing dynamic capabilities enables MNEs to collaborate with suppliers and improve [environmental sustainability](#).

"Sensing [external pressures](#) and reconfiguring processes is critical to supporting suppliers' sustainability, which is essential for meeting development goals. By working with suppliers and other key stakeholders, they can create a brighter, more [sustainable future](#) for everyone."

The study also found that complex environmental problems, such as initiatives to help suppliers reduce waste, can distract from long-term

sustainability goals. To address this, MNEs should reduce risks in sustainability efforts by developing strong supplier collaborations and investing in targeted resources.

The study argues that MNEs embracing collaborative environmental practices, such as working with suppliers on materials and waste reduction, can unlock various benefits.

Professor Tazeeb Rajwani, Professor of International Business and Strategy at the University of Surrey and co-author of the study, said, "Companies working together on environmental solutions can save money, use resources more efficiently, and reduce waste. They can also improve their reputation and attract environmentally-conscious customers.

"By fostering a culture of innovation and risk-taking, MNEs can lead in developing sustainable solutions throughout their supply chains."

More information: Abderaouf Bouguerra et al, MNEs engagement with environmental sustainability in an emerging economy: Do dynamic capabilities and entrepreneurial orientation matter?, *International Business Review* (2024). [DOI: 10.1016/j.ibusrev.2024.102298](https://doi.org/10.1016/j.ibusrev.2024.102298)

Provided by University of Surrey

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