

REVERSE LOGISTICS CONCEPT AS A PART OF ORGANIZATIONAL IDENTITY

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Abstract: The success of business in the contemporary world depends upon many inter related aspects or reasons. One of such reasons or aspects of a successful business relationship is to have and maintain a high corporate image, which is strictly connected to organizational identity. Finding new ways of gaining competitive advantage in market, companies often tend to be environmentally friendly. For this, they have to take environmental protection policy and its logistics support (called reverse logistics) as a part of their organizational identity. This paper deals with the above-mentioned aspects. (JEL: D53, F18, L22, O13)

Keywords: reverse logistics, sustainable development, environmental protection, organizational identity, organizational image.

Introduction

Increased social concern about our natural environment is transforming the relationship not only between environment and business, but also between the organization and society. The former relationship creates new roles for logistics, which is known as reverse logistics and green logistics. The latter one is less recognized in theoretical discussions and belongs rather to marketing or PR activities than to logistics. Both – private and government sectors are finding new ways of making environmental protection profitable for them and the society as whole. Where can we search the opportunities for success?

Reverse logistics as environmental philosophy of logistics activities

Logistics is the art of designing the flow of goods, information and other resources like services, and people, from the source of production to the marketplace. It involves integration of information, transportation, inventory, warehousing, material handling, and packaging. The operating responsibility of logistics is the geographical repositioning of raw materials, work in process, and finished inventories where required at the lowest cost possible. In case of people we discuss methods of transferring people from one place to another usually in their everyday routine in the way that is profitable for roads congestion and local environment. This is a subject of city logistics research. The purpose of logistics efforts is to fulfil the customers' requirements on certain level. It is difficult to accomplish any marketing or manufacturing without logistical support. But on the other hand, it is not possible to organize perfect logistics activities without marketing support. This may be criticized by both – logistics

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and marketing professionals – especially those who discuss the role of marketing and logistics in an organization instead of trying to find reasonable compromises in fulfilling customers' requirements. Business logistics plays an increasingly significant role in the competitive environment and only through continuous improvement can we ensure lower costs and increased customer satisfaction. This is the point of intersection in these two crucial parts of any organization activities. The main idea of all the activities in business is maximizing profit while satisfying customers, though all activities that are not in this profitable stream are not welcomed. We also know that benefits of humanity's growth and development, such as major improvements to living standards, security, health and education and the availability and quality of food, comfort, recreation and sport, mobility and so on are the power which sets the business wheel in motion. But we have to remember that people have made major impacts on the world's living ecosystems, bringing some threads to:

- *humans*: health, food and water, shelter, recreation, hindrance, social cohesion, wealth,
- *atmosphere and water cycle*: climate change, sea level rise, atmospheric pollution,
- *land and soil*: water, exploitation, soil erosion, species diversity, and
- *the sea*: exploitation, soil erosion, habitat loss, nutrient discharge.

The answer to these threads is not easy, but usually is connected with the idea of sustainable development. Sustainable development has been defined in many ways, but the most frequently quoted definition is provided by *Our Common Future*, also known as the Brundtland Report [1]:

"Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts:

- *the concept of needs, in particular the essential needs of the world's poor, to which overriding priority should be given; and*
- *the idea of limitations imposed by the state of technology and social organization on the environment's ability to meet present and future needs."*

Environmental thinking brought specialists to the idea of closed loop business model and reverse logistics idea. There are many definitions on reverse logistics, but generally we can say that the reverse logistics involves full coordination and control, physical pickup and delivery of the material, parts, and products from the field to processing and recycling or deposition, and subsequent returns back to the field where appropriate. Such activities are not value added for the business model, which traditionally acts in traditional (non-closed) supply chains. The activities decrease profits and can be treated by entrepreneurs as obligatory, but not positive from the financial point of view. Additionally product responsibility requires *product-integrated environmental protection* as basic type of cycle-oriented corporate strategy: "We do as much as possible at our place as well as at other places". Environmental protection therefore covers across

section of tasks that affect both internal and external processes that the company can or does influence through its behaviour [2]. Therefore it is necessary to combine activities in traditional supply chain and Reverse Supply Chain. Logistics in reverse chains is the same as in traditional supply chains, but the philosophy of reverse logistics is strictly environmental.

Organizational identity and image

A view, specified by Albert and Whetten [3], defining identity as that which is central, enduring, and distinctive about an organization's character is essential to most theoretical and empirical perceptions of the organizational identity. Scholars have predicted virtually all later perceptions of the organizational identity on these definitional pillars. In contrast, scholars have seen organizational image as a broader concept, which includes notions involving the ways organization members believe others see the organization, fabricated, projected pictures aimed at various constituencies, and the public's perception of a given organization [4]. Organizational identity is relatively dynamic and the apparent durability of identity is somewhat illusory. Durability of identity is contained in the *stability of the labels* used by organization members to express *who or what they believe* the organization to be, but the meaning associated with these labels changes so that *identity is mutable*. Consequently identity is a potentially precarious and unstable notion, frequently up for redefinition and revision by organization members. Moreover, instability of identity is actually adaptive in facilitating organizational change in response to environmental demands.

Organizational image is the way organization members believe others view the organization [5]. This image to be projected, however, might also encompass selected beliefs or new ideas (as such environmental protection) to convey a socially desirable, managed impression that emphasizes selected aspects of identity; it could even conceal or misrepresent identity. There are also ideas, that organizational image is the public's perception or impression of an organization, usually associated with a given action or event. In other words this is the reputation of an organization or the collective judgment by outsiders of an organization's actions and achievements.

How can the Reverse Logistics concept become a part of an organizational identity and why may it be so important as its image?

In the corporate world, maintaining a good company image is a key. Without this, corporately ran companies would not get very far. When a poor image is held, a lot of damage could and most likely, would happen. With poor corporate image a company will begin to see: decrease in sales, which leads to decrease in profit, which inevitably causes an increase in occupational turnovers. Customers who tend to purchase mainly from corporately operated businesses

are looking for a quality name they can trust. This is why organizations often tend to find a new business philosophy to set up a new image.

There are well known interrelationships between identity and image. These start from the assumption that organization members have developed some sense of: *“who we are as an organization”*, and then have communicated the identity to internal and external constituencies. Over time, organization members receive feedback about their organizational portrayal. Usually organization members are simultaneously members of external groups so the tendency to compare their views of their organization with others' views of the organization is heightened further. Let us assume that there are some important market reasons (e.g. need for strengthening a competitive advantage) that make the management search for new ideas to attract the society interest, i.e. e.g. implementing environmental values to an organizational philosophy. Reverse logistics in such a situation is a tool that enables implementing environmental strategy throughout the whole organization. It has to become a part of an organizational identity first, then to be its image. Figure 1 shows the process of implementing Reverse Logistics into an organization as a result of changing organizational identity and image. These dependences are based on theoretical considerations and they also have practical manifestations. They suggest that a strategic concern for organizations might be found in the management of identity and supporting processes, which in fact are the material and informational processes. In our case we discuss Reverse logistics processes as supporting processes for the organizational identity and image transition to environmental protection philosophy. How to combine internal and external values in one company's philosophy? The perfect examples can be found widely on the Internet. Chunghwa Picture Tubes Ltd. (CPT) from Taiwan presents as a part of its business philosophy the following: *“We are devoted to establishing a comfortable and healthy work environment to ensure the safety of employees and to reduce the risk of occurrences. We shall also keep up with international movements at all times, introduce new information in environment, safety and health, and improve the overall environmental quality and organizational image in order to pursue total customer, employee and social satisfaction and thereby accomplish the vision of operational sustainability”*. This shows balance between internal and external environmental policies, which guarantees that the organizational identity and image are in compliance.

Summary

The concept of identity is a key to understand modern organizations. Understanding interdependences between organizational identity and image helps in building new business strategies and implementation Reverse logistics concept in any company. This is necessary in order to present - to outsiders - environmental protection philosophy of the company as its internal value and the life style that may help in gaining competitive advantage in market.

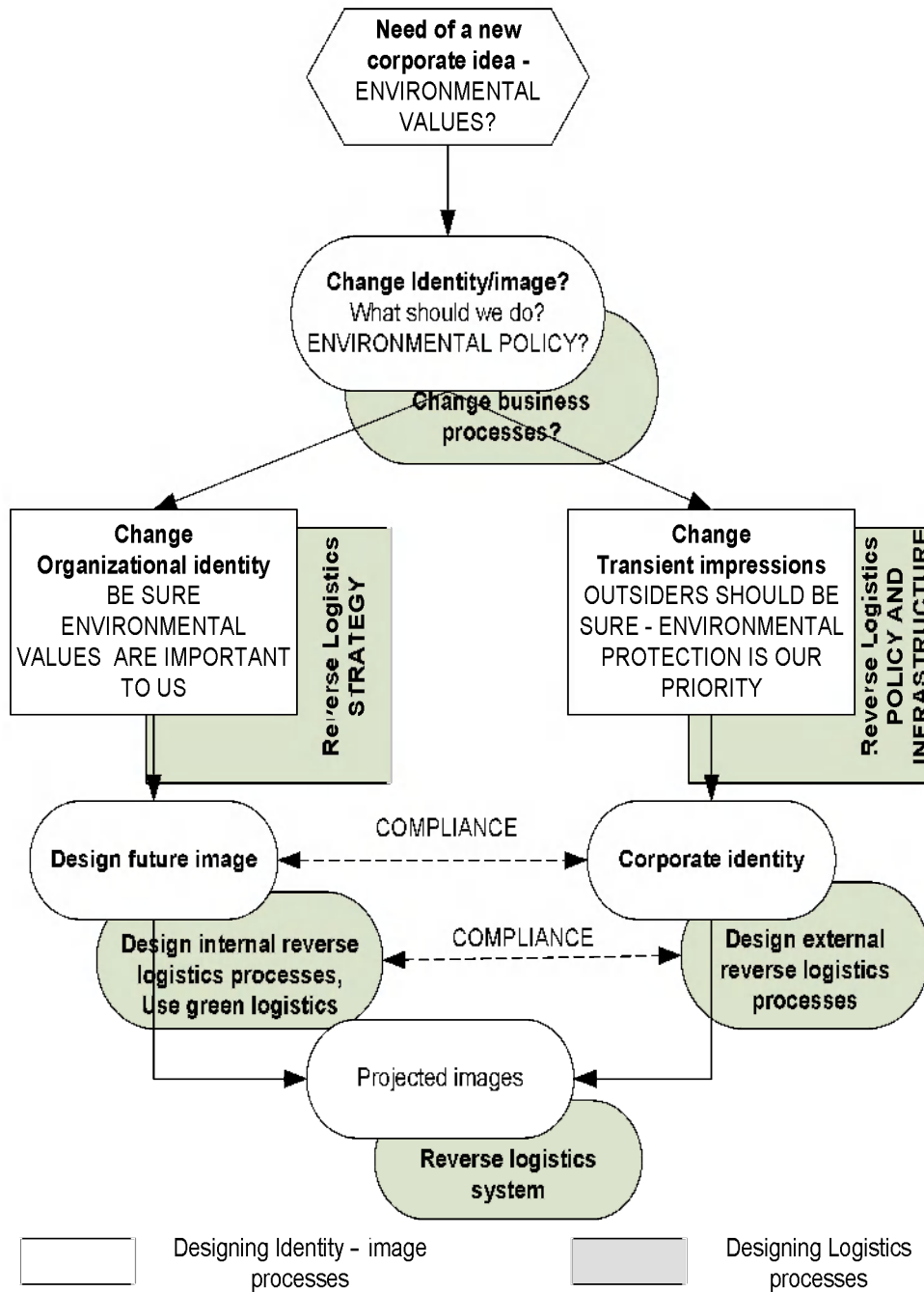


Figure 1. Process model of identity – image creation and reverse logistics support

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KONCEPCJA LOGISTYKI ZWROTNEJ JAKO CZĘŚĆ TOŻSAMOŚCI ORGANIZACYJNEJ

Streszczenie: Sukces w biznesie we współczesnym świecie zależy od wielu wzajemnie powiązanych zagadnień. Jednym z nich, pozwalającym na prowadzenie działalności z powodzeniem, jest posiadanie i utrzymanie wysokiego wizerunku firmy, który jest ściśle powiązany z tożsamością organizacji. Poszukując nowych sposobów zdobywania przewagi konkurencyjnej na rynku, firmy często kierują się w stronę bycia przyjaznymi dla środowiska. W tym celu muszą przyjąć politykę ochrony środowiska i jej wsparcie ze strony logistycznej (tzw. logistyka zwrotna) jako część ich tożsamości organizacyjnej. W niniejszym artykule prezentowane są wyżej wymienione aspekty.