

# GREEN BUSINESS: CHALLENGES AND PRACTICES

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**Abstract.** *The paper deals with the relatively new worldwide trend of adding a “green” slant to business. The purpose of the research was twofold: firstly, to clarify the definition of “green business”, secondly, to test the hypothesis that the differences in business penetration by “green” ideas in various countries are to a large extent determined by national specifics in terms of economic development and public consciousness. Authors compare and contrast the commonly found definitions of “green business”, clarify a distinction between the “green business” notion and that of “sustainable business”, define the main agents of the business “greening” trend, discuss what it means to be “green” and what business practices qualify it as “green”. A quantitative empirical research method – a survey via a questionnaire distributed to respondents by e-mail or handed in directly – was used for the second purpose of the study. The survey was conducted by the authors in Lithuania and Ireland. The collected primary data were processed with the SPSS program and analysed by methods of correlation analysis. The research has revealed considerable differences in the “green” attitudes and practices of Lithuanian and Irish companies, the former being more concerned with costs than benefits of becoming “green”, and the latter demonstrating awareness that being “green” opens new revenue-raising opportunities.*

**Key words:** *green business, environmental awareness, green attitudes and practices*

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## Introduction

The notion of “green business” emerged at the end of the 20th century in the wake of the ever increasing public concern about the sustainability of economic development. The latter, in turn, was roused up by the growing awareness of environmental issues such as the accelerating depletion of natural resources and the deterioration of environmental quality. While the origins of the modern “green movements” can be traced down to the middle of the 1960s, it took almost 20 years for business to adapt to the “greening” trends and adopt them into its ideology and practice, coining the term “green business”

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for that purpose. However, even today, the substance of the green business concept is rather ambiguous as demonstrated by the variety of its definitions that could be found in different sources. Furthermore, green business practices are still far from being universally embraced and applied by business entities around the world, with perceptible differences of business penetration by the “green” ideas in various countries. This is due to several reasons, one of them being the fact that the “greening of business” is still largely perceived as an extra burden (in terms of cost increase or revenue loss), and the other reason being related to the national specifics in terms of cultural, political, and economic differences.

The purpose of the present research was twofold: firstly, to clarify the definition of “green business”, secondly, to test the hypothesis that the differences in business penetration by “green” ideas in various countries are to a large extent determined by national specifics in terms of economic development and public consciousness. A quantitative empirical research method – survey via a questionnaire distributed to respondents by e-mail or handed in directly – was used for the second purpose of the study. The survey was conducted by the authors in Lithuania and Ireland. The collected primary data were processed with the SPSS program and analysed by the methods of correlation analysis.

### **Green business: definition**

The aforementioned “genetic” link of the green business ideology with that of sustainable development explains why it is often perceived – explicitly or implicitly – as being synonymous with the notion of “sustainable business”. For instance, Brown and Ratledge adopt quite a narrow definition of green business as “an establishment that produces green output” (Brown, Ratledge, 2011). Meanwhile, Makower and Pyke, in a broad-brush way, state that “a green business requires a balanced commitment to profitability, sustainability and humanity” (Makower, Pyke, 2009). The Business Dictionary indicates that green business is “a business functioning in a capacity where no negative impact is made on the local or global environment, the community, or the economy”, and further adds that “green business will also engage in forward-thinking policies for environmental concerns and policies affecting human rights” (Business Dictionary, n.d.). Similarly, G. Croston states that “Green Businesses have more sustainable business practices than competitors, benefiting natural systems and helping people live well today and tomorrow while making money and contributing to the economy” (Croston, 2009). K. Slovik proposes an amalgamation of environmental sustainability demand with that of social responsibility: “A “green business” can be defined as an organization that uses renewable resources (environmentally sustainable) and holds itself accountable for the human resource aspect of their activities (socially responsible)” (Slovik, 2013).

Quite obviously, all these definitions attempt to embrace a wider impact spectrum of business activities and not only those that could be considered as “green” *sensu stricto*, i.e. as related to the environment. The requirement of commitment to the environmental considerations is here complemented by the imperative to honour human rights and to contribute to the well-being of current and future generations while ensuring the economic sustainability of business itself. Such approach obliterates boundaries between the notions of “green business” and “sustainable business”, the latter term referring to business being sustainable economically, socially *and* environmentally.

The other authors take a narrower approach, focusing on the “green” constituent of the term. They define green business as the one “being concerned with and supporting environmentalism” and “tending to preserve environmental quality“ (Green Times, 2013), which “has made an enduring commitment to environmental principles in its business operations” (Cooney, 2008), as “business or entity preparing a plan and taking action to reduce its environmental impact on its immediate area of concern” (Sustainable Green, 2013) or, even stronger, as “business where its activities do not have a negative impact on the environment” (Calling Green, 2011)<sup>1</sup>.

Summing up, we propose the following green business definition: *green business is an organization that is committed to the principles of environmental sustainability in its operations, strives to use renewable resources, and tries to minimize the negative environmental impact of its activities*. In this perception, “greening” of business is part of a long-term strategy of becoming sustainable, i.e. being able to achieve business tasks in the way that does not develop *any* threat – economic, social or environmental – for both current and future generations.

## **Business greening agents**

The shift of business to the green trend can by no means be attributed exclusively to the initiatives of business itself. One can distinguish three main agents of the process: consumers, governments, and business itself, each of them in its own way contributing to the formation of “green request” to business and/or green practices<sup>2</sup>.

*Green consumer.* To place “green” products in the right market position, it is important to determine who the consumers of these products are. A green consumer can be defined as an individual who purchases ecologically produced or eco-friendly products (i.e. those that are made, imported and traded without causing pollution, can be reused or utilized) and avoids environmentally harmful consumption (e.g., by saving water and

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<sup>1</sup> Strictly speaking, the laws of thermodynamics preclude the possibility of business activities with no negative impact on the environment.

<sup>2</sup> Geographical position also affects business ability to be “green” – the advantage is to have natural energy resources (wind, swash or geothermal) within the country and to be able to use them for electricity or heating.

energy, recycling). The literature provides different lists of the characteristics that define green consumers. Some authors distinguish four types of consumer characteristics – demographic, socio-economic, psychographic, and behavioral (Kotler et al., 2005), while others denote five types – demographic, knowledge, values, attitudes, and behavior (Laroche et al., 2001). Still others name habits, personal capabilities, values, beliefs and norms as the most important green consumer characteristics (Jansson et al., 2010). The environmental marketing research has not provided consistent results concerning relationships between the particular consumer characteristics and the environmentally friendly behavior and does not support the idea of a “typical” consumer involved with environmental issues in either non-purchase conservation behavior or in green purchase consumption pattern.

The consumer’s main demographic characteristics are age and gender. Research conducted in 1996 indicated that a green consumer was older than the average, while other research done several years later, in 1999, have produced the exactly opposite result – younger than the average (Getzner, Grabner-Krauter, 2004). In terms of gender differences, some studies have led to the conclusion that females are more environmentally aware, while others found males to be more inclined to pay extra money for a green product. Then again, some studies did not indicate any significant relationship between green consumption and gender (Laroche et al., 2001).

As regards consumer’s socio-economic characteristics (income and education), Sandahl and Robertson (1989) have reported that people with a lower income and education level tend to be more inclined towards green consumption. This conclusion has been confirmed by a later research (Jansson et al., 2010) and indirectly by studies that failed to find any positive correlation between green consumption and high household income or education level (Laroche et al., 2001).

Most researchers conclude that demographic variables have the least influence on the green shift in the consumer’s opinion, and that psychographic characteristics – knowledge, attitudes, and values – are more helpful for understanding the ecologically friendly consumer behavior. The knowledge of environmental issues is also known as “ecoliteracy”. Examination of influence on consumer behavior leads to controversial conclusions. Several studies have shown that there is a significant link between consumer’s behavior and environmental knowledge, while others have confirmed the opinion that knowledge is weakly related to green purchases (as reported by Getzner, Grabner-Krauter, 2004; Laroche et al., 2001). The decision to “go green” is strongly influenced by the attitudes of importance and convenience. Firstly, individuals’ cognition of environmental problems must be important for themselves, and secondly, “going green” should not be perceived as inconvenient in terms of lifestyle changes or additional costs (Laroche et al., 2001). Moreover, the behavior is influenced by habits, thus adding the attitudinal factor

to the actual behavior (Jansson et al., 2010). Two major values that influence individuals' environmental behavior are individualism and collectivism. Individualists tend to compete with others and usually pay no attention to the public benefit of their actions. On the contrary, collectivists try to make the environment better for everyone and pay attention to other people's attitudes (Jansson et al., 2010).

Environmentally aware consumers can, again, act either individually or collectively. The individual green behavior manifests itself in personal decisions whether to act in a green way (e.g., recycle) and to pay more for a green product, or not. Collective action is taken through associations – non-governmental associations (NGOs) which in turn contribute to fostering the environmental awareness of the general public. Furthermore, by rising concerns about the harmful effects of particular industrial activities and promoting environmentally safe practices, NGOs exert a social pressure on businesses and governments.

*Government role.* Recognizing the impact of human actions on the environment and acting under pressure from consumers (voters) and various NGOs, governments (local, national or supranational) provide a regulatory framework for business operations, aiming to restrict the environmentally harmful and to prompt the environmentally friendly business behavior. Examples of such legislations and policies are environmental taxation, green public procurement, integrated product policy, eco-labeling, eco-auditing<sup>3</sup>. The green public procurement requires companies to meet certain environmental performance standards (e.g., ISO 14000) in order to be eligible to work for and with the government. At the EU level, the green procurement specification is established for the following products or service groups: construction, transport, copying and graphic paper, cleaning products and services, office IT equipment, furniture, electricity, food and catering services, textiles, and gardening (Buono, 2011). The integrated product policy is a comprehensive instrument for minimizing the environmental degradation which arises from the use, disposal or manufacturing of products. The list of tools includes certain substance bans, product design regulations, environmental labeling (e.g., the EU Ecolabel, an official EU mark awarded to products with a reduced impact on the environment through its all life cycle<sup>4</sup>). Other examples of government-supervised eco-labeling schemes are the EU Energy Label where all European manufacturers have to inform consumers about the energy efficiency (rated from A to G) of household appliances, LEED (Leadership in Energy and Environmental Design), the Green Building certificate awarded in the U.S.A. to the environmentally responsible constructions which efficiently

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<sup>3</sup> For a detailed comparative analysis and application practice survey, see Compton et al., 1998, 1999; Rietbergen-McCracken and Abaza, 2000).

<sup>4</sup> The EU Ecolabel, <http://ec.europa.eu/environment/ecolabel/>

use energy, water, other materials and ensure indoor environmental quality<sup>5</sup>. Mandatory labeling requirements also exist for food, drinks, and pharmaceutical sectors<sup>6</sup>. Eco-auditing tools are designed for an objective and systematic evaluating, reporting and improving companies' environmental performance (e.g., the EU Eco-management and Audit Scheme – EMAS<sup>7</sup>).

## Business: going green

Becoming green is a multifaceted process; there are various practices that can be applied when business wants to shift to a green behavior. Broadly speaking, an environmentally aware business should participate at least in one of “4Rs” – reduction, reuse, recycling, and recovery (Kassaye, 2001). Each of those “Rs” can be achieved through several practices, some of which might serve the purpose of more than one “R”. Figure 1 presents a non-exhaustive scheme of commonly employed green business practices.

“R” as reduction has a twofold meaning: as a reduction of resource consumption and a reduction of waste. A typical example of the first type of practice is the reduction of energy consumption, e.g., by replacing incandescent lamps with energy-efficient compact fluorescents bulbs which enable to save up to 75% of energy, or simply by turning off electronic appliances when they are not in use. In order to save trees, some companies recommend printing on both sides of paper or to print only the main documents. Application of green packaging might serve either one or both goals of reduction: some companies minimize the volume and weight of packaging (e.g., Campbell Soup), while others (e.g., Sears) strive to reduce packaging waste. Some companies (e.g., Whole Foods Market, Revlon, Estee Lauder) have started using degradable, natural or organic ingredients for their products. Companies might also apply the “product stewardship” policy. It means that the manufacturer is responsible for waste reduction, recycling,

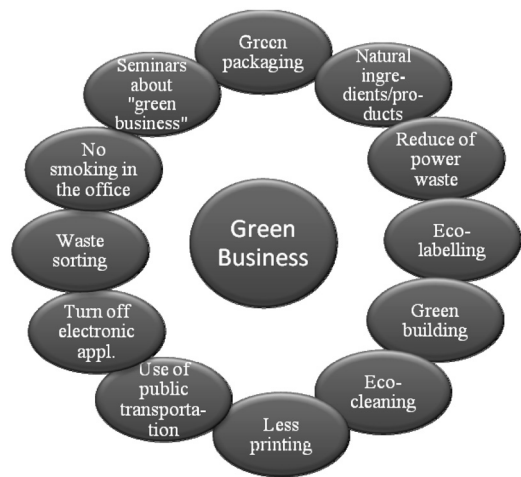


FIG. 1. Green business practices

Source: Compiled by the authors.

<sup>5</sup> Green Building, <<http://www.greenbuilding.com/knowledge-base/energy-green-building>>.

<sup>6</sup> Quite a few eco-labeling schemes are initiated and supervised by the NGOs or business sector, not by government. These are discussed later in this paper.

<sup>7</sup> EMAS, <[http://ec.europa.eu/environment/emas/about/index\\_en.htm](http://ec.europa.eu/environment/emas/about/index_en.htm)>

and the use of renewable materials. This comprehensive (in terms of “4Rs”) practice is known to be employed, for example, by McDonalds<sup>8</sup> and the Whole Foods Market<sup>9</sup>.

The Ecolabeling (also known as green or environmental labeling, or green branding) seeks to take advantage of market forces by providing consumers with information about products’ environmental profile, e.g., about their environmentally harmless manufacturing and residual disposal processes, recycling potential, consumption quality (Lavallee, Plouffe, 2004). The benefits of providing this kind of information to customers are several: consumer attraction, public standing, brand awareness, and improvement opportunities. Consumer attraction implies that by informing consumers on the environmental benefits of products, the business can rouse the consumer’s interest in eco-issues and develop a purposive demand for a particular type of articles. The public standing is enhanced by the use of environmental labels as tools to demonstrate a company’s corporate social responsibility to consumers, general public, partners and regulators. Green brands appeal to those who prioritise “going green” and hence offer a competitive eco-advantage by raising the brand awareness of both retail consumers and B2B customers. Finally, ecolabeling compels to take care of the environmental profile of the product range and thence offer improvement opportunities that may help to cope with the new environmental legislation when it is introduced.

There are two ways of setting a voluntary ecolabel: it can be self-declared or obtained through the already existing environmental labeling scheme. A self-declared environmental label is considered to be a declaration, a label or a symbol which draws attention to a certain element of the organization’s activities, products or services that can influence the environment. Such claim (e.g., “Contains no Es!”) can appear on the product or packaging itself or in any associated marketing materials. It can be issued by any party that might benefit from such declaration – producers, importers, distributors or retailers. The parameters intended to prove the product’s environmental friendliness are chosen by the company itself. Another option is to use the existing ecolabeling schemes, such as Mobius Loop, Green Dot, Fairtrade, Marine Stewardship Council, and the like<sup>10</sup>. This way might save both time and costs pertinent to building a new eco-label, another advantage being that such schemes, being operated on a not-for-profit basis, are viewed as more trustworthy than claims of a commercial concern. From the financial side, all of the

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<sup>8</sup> McDonalds, Greener than Ever. <[http://www.mcdonalds.com/us/en/our\\_story/values\\_in\\_action/greener\\_than\\_ever.html](http://www.mcdonalds.com/us/en/our_story/values_in_action/greener_than_ever.html)>.

<sup>9</sup> Whole Foods Market, Green Mission, <<http://www.wholefoodsmarket.com/values/green-mission.php>>.

<sup>10</sup> *Mobius Loop* is an internationally recognized universal recycling symbol used to denote goods that are either recyclable or contain a recycled component. *Green Dot* (aka *Der Grüne Punkt*) is a system of packaging that indicates that the manufacturer of the product contributes to the cost of recovery and recycling. The *Fairtrade* mark stands for the guarantee that food and beverage producers in developing countries receive a fair price which can cover their costs, as well as indicates some contribution premiums for producers through investment in the provision of clean water, health care, the environment, and education for their communities. The *Marine Stewardship Council* certifies that its labeled seafood comes from and can be traced back to a sustainable fishery. For details, see (Thomas, 2007).

labeling schemes carry the costs of adjusting operations, auditing and communication to customers about what it is and what does it represent. The positive part is related to an increased profitability when carrying that label.

There are also a number of “minor” green actions that still can contribute to the greening of business. For instance, some companies encourage their employees to use public transportation instead of their own cars in order to reduce air pollution, or to refuel the car after 6 p.m. when the gas fumes reputedly are less harmful to the environment (Collins, 2008). Other “green” practices include waste sorting, organizing seminars about “green business” and environmental protection, the rule of not smoking in the office, etc., and participation in environmental actions. It should be noted that the number and specifics of the green business actions adopted by companies depends on a particular business’s abilities to those change its operations to environmentally friendly. There might be reasons which preclude a business from “going green”. For instance, companies simply might not know *how* to become green or regard “greening” as an expensive fancy that drains away resources and diminishes profits.

### **What is it to be green?**

While it is true that business greening usually necessitates certain additional costs, it also might bring tangible commercial benefits and lead to an increased profitability. A business can reap two types of benefits by “going green”: one is revenue rising, and the other is cost saving.

The *revenue rising* benefit can be derived from product differentiation and brand image, customer communication, additional value and higher productivity (Collins, 2008; Swallow, 2009; Laroche et al., 2001). By going green, a business distinguishes itself from others and gains a competitive advantage. It is well known that customers buy a product not only as a commodity but also the image links of the product. A green brand is one that appeals to the retail consumers and B2B customers who favor greener products and services (Hartman et al., 2005). Consumer willingness to pay more for a green product indicates that consumers perceive an additional value in it. However, a green brand should be effectively communicated or, in other words, marketed in order to be recognized by consumers. Green marketing (also known as sustainable marketing, organic marketing, and environmental marketing) usually refers to the product, service or lifestyle which it is promoting, rather than to a method of marketing itself. It centers on consumers’ explicit or implicit willingness to pay more for environmentally friendly products and is about selling environmentally safe or said to be safe products<sup>11</sup>. Likewise, according

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<sup>11</sup> A product or service is perceived as “green” because someone can sell it as such, not because it is such. However, if a company unduly exaggerates green marketing, its green image could be perceived as a “green washing” (Kangis, 1992).



to (2008), employees that work for green companies are more satisfied with their work and show a higher productivity. Finally, by becoming green, a company can secure better future prospects in terms of networking with the other green businesses that are willing to have partners of the same inclination.

*Cost saving* is mainly generated by waste utilization and input sparing. Such practices as heat generating by waste incineration, cutting down the paper use in exchange for electronic communication, turning off electronic appliances when they are not in use and the like provide possibilities to save costs. Furthermore, it is believed that green business practices make workplaces healthier and safer, thus enabling a company to cut spending on employees' sick time.

### **Case study: green business trends in Lithuania and Ireland**

An empirical survey was carried out by the authors in 2012 in order to identify, contrast, and compare green business trends in Lithuania and Ireland, i.e. a newly emerged vs. a well established market economy. The questionnaire consisted of forced-choice questions divided into three sections: the first section was designed for the specification of the company (operating field, size, turnover, etc.) and identification whether it perceives itself as green or not; questions in the second section prompted green companies to reveal their reasons for becoming green and to indicate "green" practices used both in the micro-environment (inside the company) and on the macro level (related to the public standing of the company), and the third section was dedicated to non-green companies, with an attempt to establish the reasons why they do not follow the green trend and to find out their intentions for the future. The five-point semantic differential scale (the values ranging from 1 for "never" and "strongly disagree" to 5 for "always" and "strongly agree") was used for the construction of questions in sections two and three. The required sample size was calculated to be 100 companies per country. The survey analysis was based on 207 responses: 102 in Lithuania and 105 in Ireland<sup>12</sup>. The distribution of the surveyed companies by sectors and annual turnover was similar for both countries. The chi-square, one-way ANOVA, a paired-sample *t* test, Spearman and Kendall's *tau-b* tests were used for the analysis of the collected data in order to check the importance of statements and their correlation as well as the relation between statements and the company's characteristics.

The dichotomous filter question ("Is your company operating as "green"?") has revealed that 55.88% of the surveyed Lithuanian companies count themselves as "green"

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<sup>12</sup> The questionnaire was distributed either by e-mail or directly handed to 115 companies in each country; 23 of the received responses (13 from Lithuanian and 10 from Irish companies) had to be disregarded due to an incorrect filling of the questionnaire. The list of companies surveyed in Lithuania *inter alia* included Alna, Arginta, Lesto, and in Ireland AVIVA, Pfizer, Intel, Tesco, Xerox.

and 44.12% as “non-green”, the situation in Ireland being a kind of a mirror image with 45.71% and 54.20%, respectively. However, the ranking of the used green practices on a five-point semantic differential scale (with 1 standing for “never” and 5 for “always”) has indicated that on the average Irish “green” companies are more actively engaged in business “greening” than Lithuanian ones, the average ranks of their green practices being 4.19 and 3.69 respectively. Furthermore, 58% of the surveyed presently non-green Irish companies planned switching to “green”, while in Lithuania this move was contemplated by only 23%.

The most popular internal “green” practice for the Irish companies was no smoking in the office, while Lithuanians gave the highest significance to switching off computers when leaving the workplace (Fig. 2). In both cases, the paired-sample *t* test has indicated significant differences of these two practices from other statements. An analysis of the preferred green actions by the sector (Fig. 3) revealed that no smoking in the office was uniformly “voted” by all sectors in Ireland as being the most popular type of “greening” a company’s micro-environment. The Lithuanian side was not that homogeneous, with manufacturing companies giving a higher preference to recycling and switching off lights when leaving the workplace for at least 15 minutes. This notwithstanding, the one-way *Anova test* has revealed no statistically significant relation between a company’s activity field (sector) and employed green policies in neither of the country.

Analysis of relationships between employed green practices and companies’ turnover led to rather inconclusive results. Irish companies with the annual turnover up to 7 mil. euros on the average have shown the least enthusiasm for the greening of their business, with the lowest ranks given to relatively more sophisticated green practices of recycling and “office without paper” and the highest to the least costly option of no smoking in the office. While the Spearman test has indicated a positive correlation (Sig. (2-tailed) is  $.027 < 0.05$ ) between turnover and recycling in the Irish companies, it was rather weak (0.319). Otherwise, no significant relation was found between adoption of a particular micro-environment “greening” practices and annual turnover for Irish companies. The same conclusion fully applies in the Lithuanian case as well. However, the further analysis of Lithuanian data yielded several quite surprising results. Namely, in Lithuania, the average propensity for business “greening” diminishes with the growth of annual turnover. Furthermore, contrary to the Irish case, in Lithuania such practices as recycling and “office without paper” scored the highest ranks in the segment of companies with the annual turnover of up to 7 mil. euros. However, the most popular green measure across all segments of annual turnover was switching off computers and electronic devices when leaving the workplace.

Analysis of responses concerning the environmentally friendly policies applied by companies on the macro level, i.e. carried out externally and designed to consolidate

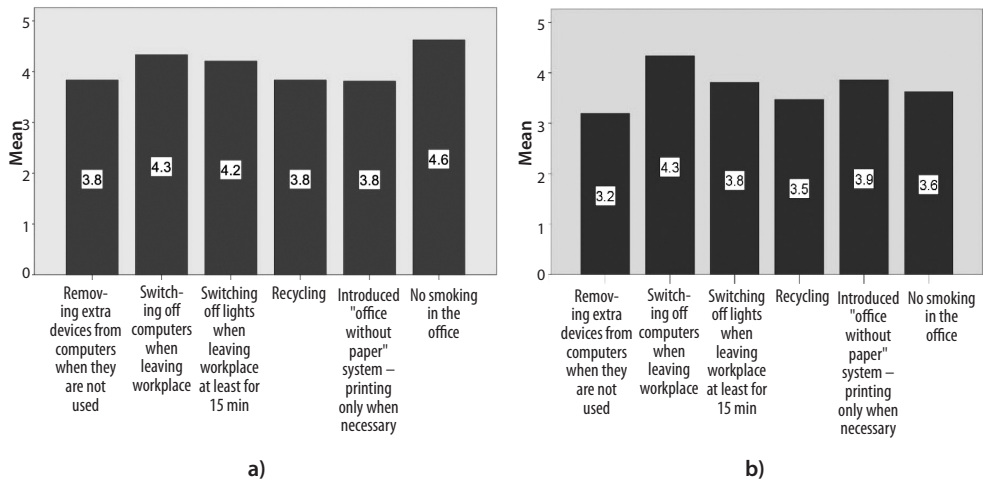


FIG. 2. Preferences for internal green actions in (a) Irish and (b) Lithuanian companies

Source: Survey conducted by authors.

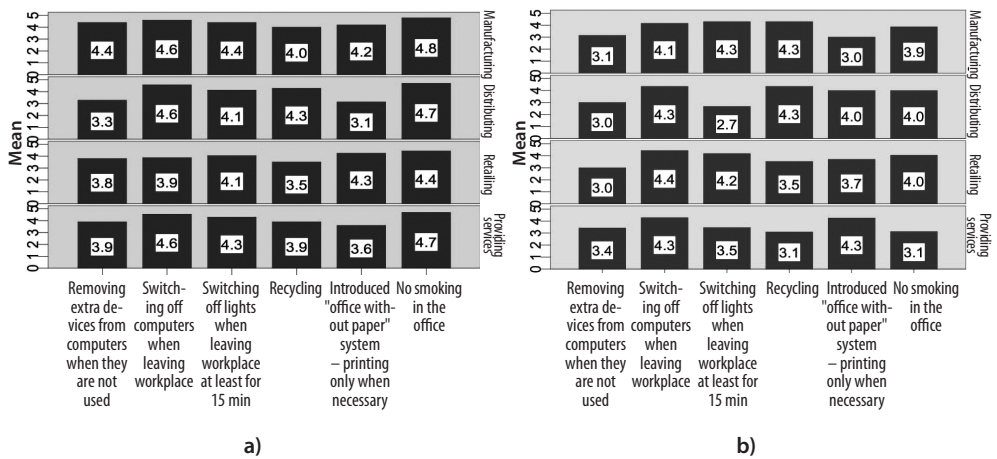


FIG. 3. Preferences for internal green actions in (a) Irish and (b) Lithuanian companies by sectors

Source: Survey conducted by authors.

the public standing of the company, revealed further conspicuous differences between the two countries (Fig. 4). The preferred green policies on the macro level for Irish companies are the provision of financial support to environmental projects and support of environment-friendly projects carried out by students. Interestingly, such an easy and cheap option as organizing a day without a car in Ireland got the lowest rank, and the paired-sample t test has confirmed that it is significantly less important than supporting environmental projects. The Lithuanian companies notably prefer low-cost business “image greening” options, such as organization of or participation in seminars on green

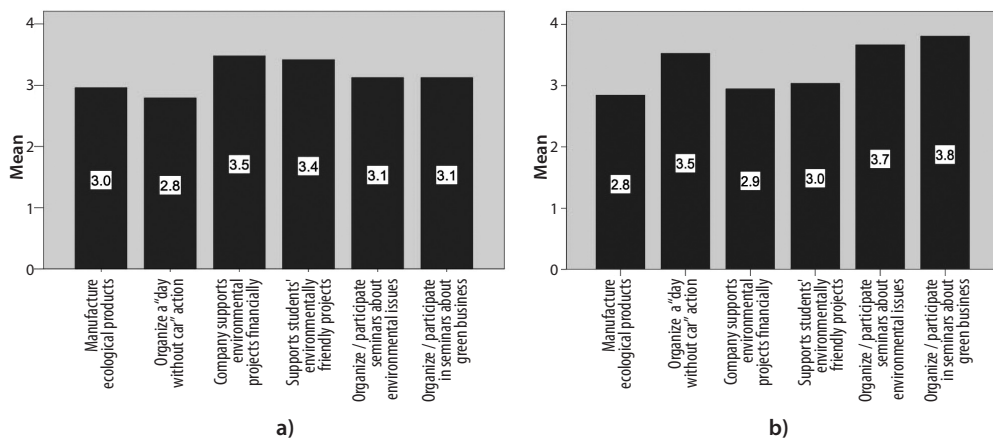


Fig. 4. Preferences for external green actions in (a) Irish and (b) Lithuanian companies

Source: Survey conducted by authors.

business and environmental issues, with a “day without car” initiative trailing close behind. The significance of this preference over other alternatives was confirmed by the paired-sample *t* test as well.

While in most cases no obvious correlation was found between a company’s annual turnover and disposition towards external green practices in either country, in both cases it were the richest companies operating on a scale exceeding 138 mil. euros in terms of annual turnover, which were most concerned about their environmental public standing. It is interesting to note that in Ireland the “day without car” action was deemed as of low importance or, shall we say, a low public-impact alternative even among small-scale companies, i.e. with the annual turnover up to 7 mil. euros, while the most costly option, (financial support to environmental projects) was the ranking winner in all segments of the turnover. The Lithuanian preferences, as revealed by the survey, follow a different pattern: the smaller the company, the higher preference it gives to the “day without car” type of action and, predictably, is more reluctant to give money away to support environmental projects.

Summing up the revealed patterns, it can be concluded that Lithuanian companies are generally more concerned with the costs than benefits of becoming “green”. This is indicated by their rather obvious inclination towards the use of low-cost “business greening” options, especially as far as the public image of a company is concerned. Meanwhile, the Irish companies opt for a more expensive but at the same time more publicly visible actions, such as providing financial support to environmental projects. It can be presumed that such a striking difference between the business attitudes in Ireland and Lithuania not only characterizes the different levels of business commitment to the green ideas, but also reflects the cultural and economic differences of the two societies. In an emerging

economy like Lithuania, which is eager to catch up *economically* as fast as possible with the highly developed countries like Ireland, in the average consumer's perception the economic issues hold a relative priority over the environmental ones, i.e. the lower cost of commodity is more important to the consumer than the fact that the commodity was produced by a "green" company. These consumer attitudes and the market competition inevitably shape business attitudes as well, prompting them to look for low-cost options of being "green".

One might wonder why to be "green" at all, then? The hint to the explanation was given by the survey: when asked about the sense of being "green", the second by popularity answer of Lithuanian companies was "it is a must nowadays" (mean, 3.51), with "it is a new fashion tendency" (3.33) trailing close behind. This essentially indicates that business "greening" in Lithuania is still prevalently based not so much on sincere environmental awareness and consciousness as on the "join the crowd" notion. On the other hand, the highest rank among the motives of becoming "green" in Lithuania got the intention to satisfy environmentally-oriented customer's needs (mean, 3.84), what could be taken as an indication of the dawning realization that being "green" opens new revenue-raising opportunities. The cultural and business mentality differences are further demonstrated by the responses of the Irish companies to the same question about the sense of "green business": both statements that were popular in Lithuania ("it is a "must" nowadays" and "a new fashion tendency") got the lowest ranks in Ireland (mean, 2.70 and 2.91, respectively). Instead, Irish companies prevalently saw business "greening" as a relatively cheap possibility to increase the turnover (mean rank, 3.25); exactly the same statement was ranked *least* favorably by Lithuanian companies (mean rank, 2.47).

On the other hand, several similarities in the attitudes were observed as well. For instance, while no statistically significant relation between the annual turnover of a company and the statements was found either in the Lithuanian or in the Irish case, it was noted that in both countries the tendency to regard business "greening" as just a new fashion is the strongest among the small-scale companies and the weakest among the large ones. Another similarity is that both Irish and Lithuanian non-green companies have selected the costliness of switching to green as the main explanation for not operating as "green businesses". However, it is interesting that with the turnover increase this type of explanation loses its importance in Ireland and, rather surprisingly, gains in Lithuania.

## Conclusions

As demonstrated by the review of "green business" definitions, the substance of the concept is still rather fuzzy, ranging from the equation of it with the broader notion of "sustainable business" to the rather narrow accentuation of some "green" feature of production, e.g., the use of renewable resources. The suggested definition of "green

business” as an organization committed to the principles of environmental sustainability in its operations striving to use renewable resources and trying to minimize the negative environmental impact of its activities allows to distinguish, but not to dissociate, “green business” concept from the broader term of “sustainable business”. The shift of a business to the green trend should be regarded as the outcome of the interaction of three main agents of the process: consumers, governments, and the business itself, the first two contributing to the formation of “green request” to business and the latter implementing green practices. The uneven proliferation of green business practices in the world can partly be explained by the aforementioned ambiguity of the concept itself and, what is even more important, by the cultural, political and economic differences of the countries. The latter hypothesis was confirmed by the results of a survey carried out in Ireland and Lithuania – the countries that markedly differ by the level of economic development and by their sociopolitical context. While the potential advantages of business “greening” include both the revenue raising and the cost saving, Lithuanian companies are obviously more concerned with costs than benefits of becoming “green”. Meanwhile, Irish companies have demonstrated a better awareness of the fact that being “green” opens new revenue raising opportunities. However, the survey has also indicated that in both countries reluctance to enter the “green” path is prevalently caused by the qualms that such move might be too costly. The survey has also produced some rather surprising findings, e.g., that for Lithuanian companies the average propensity for business “greening” diminishes with the growth of annual turnover. This observation calls for the further research of “green” attitudes and their determinants in the Lithuanian business environment.

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