Science, Engineering & Education, 7, (1), 2022, 89-95

Reflection of the Sustainable Development in the Management of the Contemporary Organizations

Teodora Obretenova

Department of Economy and Management
University of Chemical Technology and Metallurgy,Sofia, Bulgaria

Received 05 October 2022, Accepted 31 October 2022

ABSTRACT

Changes in the business environment are so large and unpredictable that they pose challenges to business organizations and impose the need to implement new models in the organizational management. Undoubtedly, the Concept of Sustainable Development is related to business and its social responsibility to protect the interests of stakeholders and the environment. The role of the human factor of education in all its forms, which must implicitly contain the spirit, ideas and principles of sustainable development, is very important.

Keywords: sustainable development, challenges, organization.

INTRODUCTION

Principles and Ideas of the Sustainable Development

We adhere to the understanding that "sustainable development is a development that meets the needs of the present without compromising the ability of future generations to meet their own needs" [1]. In 1992 the second Earth Summit was held in Rio de Janeiro. At this forum, the concept was further developed with the introduction of the definition of the "three pillars", which refers to the harmonious interaction between economic prosperity, social justice and a preserved environment. Achieving sustainable development requires behaviour based on sustainability principles, responsibility and transparency.

At the end of the 20th century, great progress was made in the study of the concepts of social, ecological and economic capital for sustainable development, of particular interest being the existence and limits of potential substitutions [2 - 4].

Diversity as a characteristic offers various benefits for sustainable development, and therefore it is necessary to preserve it in all its manifestations, including socio-cultural, economic and technological. It is a source of

**Correspondence to: Teodora Obretenova, University of Chemical Technology and Metallurgy, 8 Kliment Ohridski blvd., 1756 Sofia, Bulgaria, E-mail: tobretenova@uctm.edu*

knowledge and a resource base for adaptation and reorganization [5, 6]. Diversity in product offerings is necessary to satisfy diverse preferences and local conditions. Caution is one of the main requirements of sustainable development. We strive for sustainable development in a world with multidimensional, intersecting and complex dynamic systems. We cannot expect them to be fully described, still less to predict future results.

Transparency and public engagement are the main characteristics of sustainable development decision-making. The goal of decision-making is to seek mutually supportive benefits in all areas. Attention needs to be paid to the motivation behind trade-off decisions. Expecting win-win solutions to emerging on their own is not a good strategy.

Sustainable development is an open process. It is not conceived as a specific goal. Pursuing sustainable development is a long-term and, in fact, never-ending process. Creating a commitment to sustainable development involves not only a significant transition to a broader understanding and a more ambitious set of goals but also to more coherently linked institutional structures and processes of planning, governance, markets, traditions and choices of all scales [7].

Sustainable development management has some key features. The following four tools are common: common long-term goals; general criteria for planning and approval of significant initiatives; defined rules for making concessions and compromises, and generally accepted indicators of the need for action and progress towards sustainable development. Sustainable development management also needs resources to stimulate and guide the necessary actions. Various policy instruments are available such as tax reform legislation, public procurement rules; public liability laws; product labelling; usage arrangements; power-sharing processes, etc.

Sustainable development governance requires policy development frameworks that actively seek to identify, stimulate and coordinate action for more sustainable technological niches. To this end, sustainable development management should be more predictably aimed at the long term, use concepts of sustainable development and be related to new knowledge, innovation, and adaptation. Bringing together environmental and development goals into a single common agenda is a recognition that sustainable development requires simultaneous progress on three fronts [8] and addressing economic, social and environmental challenges in an integrated manner.

Agenda 2030 or Sustainable Development

The agreement reached, known as Transforming Our World: The 2030 Agenda for Sustainable Development includes an ambitious set of 17 Sustainable Development Goals (SDGs) and 169 related targets [8]. The new development agenda rests on the approach based on human rights, as well as the principles of universality, comprehensiveness and shared responsibilities. The principle of balance between the three pillars of sustainable development - economic, social and ecological, is affirmed. The program is defined as an action plan in the following directions - people, planet, prosperity, peace, and partnership.

The goals and objectives of Agenda 2030 for sustainable development includes a truly ambitious Program that reveals the interrelationships between the issues of the three pillars of sustainable development and outlines a comprehensive approach to achieving a transformative effect. It recognizes the fact that private business, investment and innovation are the biggest drivers of productivity, economic growth and job creation [1]. International trade is an engine for economic growth and poverty reduction, which is why it should be guided by the principles reached in the World Trade Organization. The need to assist developing countries through external debt relief and restructuring is recognized. A Technology

Assurance Mechanism is being established, which is based on cooperation between the Member States, civil society, the private sector, the scientific community, and organizations of the UN system Program 2030 introduces a qualitatively new approach to solving the world's economic and social problems. It places man and his well-being at the center of the problem. Great attention is also paid to the protection of the planet, natural resources and biodiversity. It is committed to sustainable economic growth and the creation of decent jobs.

EXPERIMENTAL

Reflection of the Ideas and Principles of Sustainable Development in Business

The Rio Earth Summit, convened by the United Nations in 1992, is of key importance in uniting the problems of the environment with the problems of economic development. In the agenda for the 21st century, 900 pages outline the main efforts to achieve sustainable development. The 27 principles of the UN declaration on environment and development (Rio Declaration on environment and development) set the agenda for sustainable development in the 21st century [1]. The 1992 conference engages the business. Štefan Schmidhaini is the author of the new term encoding sustainable development initiatives, "eco-efficiency". The conference is accepted as the starting point of the integrated approach of the environment with economic development processes. The subsequent Rio 20+ conference, the 2015 Climate Agreement, entered into force in 2016, ratified by 141 countries and the EU in June 2017, reflect the new problems and the taking of adequate actions to ensure sustainable development of the planet Earth. The signed Rio 20+ declaration, known as "The future we want" has no binding force. The principles of the previously adopted declaration are confirmed. Global, with a limited scope of participation, are the G-20 initiatives to combat climate change (signed in 2017 at the meeting with the G-20 Climate, Energy and Growth Action Plan, excluding the US President).

The above-mentioned initiatives affirm the priorities of sustainable development for countries and businesses and direct the demand for new business models and regulatory approaches. Relatively closer to the affairs of companies and corporate governance are the Global Compact from 2000, as well as the Principles for Responsible Investment 2006. The 10 principles of the Global Compact lay down rules for sustainable development accepted by businesses. They point to three groups of issues/problems: environmental protection, social issues and human rights, and issues of how governance is developed, including corporate governance.

Corporate social responsibility (CSR) [9] or also called corporate conscience, corporate citizenship, social performance, or sustainable, responsible business, is a modern developing business model that is increasingly used by companies, regardless of their size or field of activity. Modern business leaders are aware that sustainable, socially responsible practices are an essential element in achieving good corporate governance. The wide range of areas into which CSR is categorized includes:

- Effective public participation,
- Internal company culture,
- Education and development of leadership skills,
- Corporate governance and business ethics,
- Eco-friendly business.

The intensive processes of globalization, increased social and public demands, and climate changes pose new challenges to companies that require responsible and transparent management and accounting of the economic, social and environmental impacts of their activities. In the European Strategy for Corporate Social Responsibility 2011-2014, the definition of CSR is: "concept in which companies voluntarily integrate environmental protection activities and social initiatives into their business strategies and in interaction with all stakeholders" [10]. The principles of transparency (publicity), accountability and responsible behaviour are set as the main emphasis of CSR. Corporate social responsibility actually represents the business's contribution to environmental, social and financial sustainability. It is part of a comprehensive management approach that aims to create added value not only for the organization but also for all stakeholders.

Corporate social responsibility of business

Business organizations oriented towards sustainable development comply with the relevant standards. The essential difference between the ISO 26000 standard and the G3.1 standard is that ISO 26000 only presents guidance on how to integrate social responsibility into the operations of companies so that they operate in a socially responsible manner. ISO 26000, in contrast to G3.1, does not offer concrete indicators with metrics by which companies can report and present their progress in the field of corporate social responsibility (CSR) and achieving Sustainable Development in a local, regional and global plan. The implementation of the ISO 26000 standard does not provide for the certification or any type of reporting, unlike G3.1, which provides for the preparation of an annual report and its verification and certification by an independent auditor (CSR Bulgaria).

To get a general idea of the reporting indicators according to the G3.1 standard, it is good to list some of the more interesting ones in the different categories:

- economic - income, profit, remuneration of employees, donations, aid from the government, proportions for amounts paid to local suppliers, proportions for employed local persons in management;
- environmental - volume and weight of raw materials used, percentage of use of recycled raw materials, energy consumption, energy saved, water used, the volume of wastewater, the volume of recycled and reused water, impact on biodiversity, amount of greenhouse gas emissions, amount of other emitted gases, weight and type of waste, the volume of materials transferred for processing, imposed eco-sanctions, environmental protection costs;
- labour practices - total employed personnel by types of contracts, turnover by age and gender, percentage of employees covered by a collective labour agreement, whether committees for health, occupational accidents and occupational diseases are functioning, education programs and volume of trainings, attestation of employees, equal opportunities between the sexes, the ratio of basic salary between men and women by categories of employees;
- human rights - are human rights respected, including and with customers and suppliers, whether there are discriminatory practices, whether there is freedom of association and a collective agreement, whether child labour is used, whether there is forced or compulsory labour;
- society - measures to prevent corruption - internal and towards third parties, lobbying and participation in the development of public policies, financing of political parties; practices to prevent anti-competitive behaviour, amount of sanctions for violation of legislation;
- product responsibility – the impact of products on the health and safety of customers, product labelling and fair presentation of product information, customer satisfaction measurement practices, ethical product marketing and advertising communication practices, privacy practices customer data, sanctions imposed in connection with the protection of consumer rights.

According to the managers of Denkstatt Bulgaria, for a business organization to be committed to a sustainable business model means:

- Economic stability - maintaining market leadership, as well as economic profitability;
- Customer satisfaction – achieving a high level of customer satisfaction and constantly exceeding their expectations;
- Care for employees - building a corporate culture of connectivity, understanding and flexibility, sharing knowledge, skills and responsibility; care for the physical and mental well-being of the team and the individual;
- Financial success - providing equal opportunities for each of our employees to earn according to their contribution and achievements and achieve financial comfort in life;
- A leader in every chair – encouraging the development of everyone's strengths by providing a space for learning through experience and team support in challenging moments;
- Trust - creating and maintaining relationships of trust with clients and partners based on a high level of confidentiality;
- Contribution to sustainable development - ensuring that the consulting services provide innovative and sustainable solutions with real, measurable value for clients while achieving maximum benefits for the environment and society;
- Minimal impact on the environment - limiting pollution and waste generation in the work processes, reducing carbon intensity;
- Compliance with the legislation - carrying out activities in an honest and responsible manner, in full compliance with all applicable legal requirements;
- Continuous improvement –striving for continuous improvement of work, the quality of services and environmental achievements through the implementation of an Integrated Management System according to the ISO 9001 and 14001 standards.

The Business Environment and its Impact on Sustainable Organizational Management

The only certainty in the modern business reality is the uncertainty of the environment. In the conditions of pandemic and war, we have witnessed that the modern business organization exists in conditions of variability, uncertainty, complexity, and ambiguity, which require the transformation of strategy, structure and corporate culture, of leadership, policies and practices related to motivation, changes in the essence of the production and supply of products and services.

Deloitte's Global Human Capital Trends 2021 report, "Social Enterprise in a Disrupted World", explores how organizations and leaders can use the lessons of this pandemic to fundamentally reimagine work, shifting from a focus on survival to a quest for prosperity. The report's findings show that human capital issues are at the center of leaders' thinking as they change an organization's view of its readiness to adapt to a dynamically changing business environment. In the 2021 report, 17 % of executives say their organizations will focus on planning for unlikely high-impact events, up from just 6 % before the pandemic. Nearly half (47 %) of global executives say their organizations plan to focus on multiple scenarios. To effectively deal with multiple possible futures and unlikely events, the importance of real-time workforce insights and data as they set new directions has become even more critical. However, the most important factor in making this shift in readiness is unlocking the potential of workers through a new focus on capabilities. Almost three-quarters (72 %) of global executives identify "the ability of their people to adapt, retrain and take on new roles" as a priority for dealing with future disruptions [12].

Deloitte's Global Human Capital Trends 2021 report shows that executives are increasingly shifting away from optimising automation and moving toward re-thinking how to integrate humans and technology best to complement each other and drive organizations forward. Sixty-one percent of executives worldwide say they plan to focus on reimagining work in the next one to three years. COVID-19 has heightened leaders' awareness of the potential benefits of this approach, including higher productivity, increased agility, and greater innovation [12].

During the pandemic, organizations utilized team structures to enable greater adaptability, which allowed them to better survive an unpredictable year. Leaders are increasingly recognizing the value of "superteams," combinations of people and technologies designed to leverage complementary capabilities and pursue outcomes at a speed and scale that would not otherwise be possible. Executives in this year's survey recognized that the use of technology and people is not an "either-or" choice, but a "both-and" partnership. The top three factors for transforming work were organizational culture (45 % of respondents in the world), workforce capability (41 % in the world) and technology (35 % in the world) - factors that must all work together for an organization to assemble effective superteams [12].

CONCLUSIONS

In summary, the new rules of modern organizations can be described as follows: the company becomes a flexible network driven by shared knowledge and collaboration, achieving a balance between creativity and control; work on different projects focused on products, services and customers, which require new knowledge and use of different tools for successful project management.

In order to reach sustainable development in the organization, management directs its attention to concentrating its efforts on the possibilities of the business environment. In this regard, resource management requires actions in rapidly changing and difficult-to-predict business conditions. The business environment today is made up of multicultural and transnational companies. The competition has been brought to a global level, and the market field has been expanded to the maximum, and this enables the development of sustainable competitive companies. And since the human resource is the most important, the effective existence of the organizations is possible only if the thinking patterns are changed, guided by the important role of human resources. Loyal motivated employees have much higher levels of efficiency; they are not constantly looking for better-paying work, but focus on improving their activities and skills in order to keep a specific position.

A study of the challenges related to the sustainable development of organizations shows that more than 70 % of the industry in Bulgaria faces the huge challenge of securing well-prepared personnel. This problem is exacerbated by the globalizing economy and the country's participation in the processes related to it. The role of business in the context of educational reform, which is absolutely necessary for Bulgaria, is very large. Business must not only define the types of specialists and the required knowledge, skills and competencies and curricula, but it must also go much deeper into management, into the learning process, into classrooms and into academic lectures. Successful managers must share their professional experience and formula for success with students. This would build in young people a valuable attitude towards work and achievements.

A formula for sustainable development is needed so that the business can not only bring benefits to its owners, team or customers, but to all parties interested in its activity. Because a business is part of the big puzzle called economy, society and nature, and it cannot exist in self-isolation, without complying with laws and standards, meeting challenges, being long-term, and developing sustainably.

REFERENCES

1. United Nations . (n.d.). Retrieved from https://sdgs.un.org/2030agenda

2. F. Berkes, C. Folke, A systems perspective on the interrelationahips between natural, human-made and cultural capital, Ecological Economics, 5, (1), 1993, 1-7.
3. J.A. Dixon, K. Hamilton, Expanding the Measure of Wealth, World Bank, Washington DC, 1996.
4. R. Costanza, R. d'Arge, R. de Groot, S. Farber, M. Grasso, B. Hannon, K. Limburg, S. Naeem, R.V. O'Neill, j. Paruelo, R.G. Raskin, P. Sutton, M. van den Belt, The value of the world's ecosystem services and natural capital, Nature, 387, 1997.
5. N-M. Lister, J.J. Kay, Celebrating diversity: adaptive planning and biodiversity conservation, in Bocking, S. (Ed.): Biodiversity in Canada: Ecology, Ideas and Action, Broadview Press, Peterborough, 2000.
6. C. Rammel, J.C.J.M. van den Bergh, Evolutionary policies for sustainable development adaptive flexibility and risk minimising, Ecological Economics, 47, 2003.
7. R.B. Gibson, Specification of sustainability-based environmental assessment decision criteria and implications fordetermining 'significance' in environmental assessment, Canadian Environmental Assessment Agency Research and Development Programme, Ottawa, 2001.
8. http://www.baltic-course.com/eng/analytics/?doc=122153
9. https://www.investopedia.com/terms/c/corp-social-responsibility.asp
10. European Strategy for Corporate Social Responsibility 2011- 2014. Retrieved from https://www.eumonitor.eu/9353000/1/j4nvkkpftveemt7_j9vvik7m1c3gyxp/vitwrzhm31gk
11. CSR Bulgaria, Retrieved from https://www.csr.bg/csr-bulgaria/992-kakva-e-korporativna-socialna-otgovornost-i-kak-se-izmerva, (in Bulgarian).
12. Deloitte, Retrieved from https://www2.deloitte.com/ua/en/pages/about-deloitte/press-releases/gx-2021-global-human-capital-trends-report.html