Novi Ekonomist Vol 11(2), Year XI, Issue 23, january - june 2018. ISSN 1840-2313 (Print) 2566-333X (Online) DOI: 10.7251/NOE1823095P

INFLUENCE OF MANAGEMET IN THE PROCESS OF ACHIEVMENTS OF SUSTANAIBLE DEVELOPMENT OF ENTERPRISE

Kiril Postolov University St. "Kiril i Metodij" Skopje, Macedonia kirilp@eccf.ukim.edu.mk

Marija Magdinčeva Šopova University Goce Delčev Štip, Macedonia marija.magdinceva@ugd.edu.mk

Paper presented at the 6th International Scientific Symposium "EkonBiz: Modern business in the function of the development of the national economy", Bijeljina, 21-22nd June 2018.

Abstract: After the economic crisis of 2008, the degree of economic and environmental impact has increased. Challenges encountered by enterprises ranges from fulfilling the legal obligations of integral prevention and pollution control to the adaptation of the environmental management system in order to successfully apply the ISO 14001 standard. Companies face problems arising from soil pollution, climate change and legislation. Companies must take into account the successful management of sustainable development and social responsibility. To date, the basic responsibility of the company is to create profits for the owners of the company. However, including "social aspects", it emphasizes the participation of other stakeholders. The subject of research in this paper focuses on realizing the situation in terms of company's readiness to fulfill legal obligations for integrated pollution prevention and the application of appropriate environmental management standards. The main objective of this paper is to indicate the opportunities that companies have in favor of effective environmental management through cost reduction and cost savings achieved through efficient waste and energy recycling initiatives. Considering the fact that waste management is inappropriate, it can cause numerous consequences for the population and the environment, work for the welfare of the public, management and employees in enterprises, academic researchers and the general public is expected. The contribution of this paper is to expand the literature in this field and to the need

to implement an appropriate management concept for integrated environmental management and prevention in order to successfully manage sustainable development.

Keywords: corporate governance, sustainable development, environmental issues, environmental management

1. INTRODUCTION

The contemporary tendencies of life are characterized by many changes and events that can not be predicted in the short, even in the long run. Globalization and digitization in every area of life and work are causing major and significant changes in every segment of life. New value systems replace old ones, and as a result, the sophisticated development of information technology imposes a rapid pace on the development of society and the economy as a whole, including businesses. As a result of these processes, the available raw materials and materials as basic elements in the production process are available and the cost of their purchase is acceptable or appropriate. Increased demand for material resources is caused as a result of an increase in industrialization, population growth, production, living standards, employment and growth in profit. Sustainable environmental development is a simple concept, and a genuine understanding of the importance of sustainable

development is the application of a successful management concept in the management of limited natural resources.

The integration of environmental practice is a trend that creates the need for the identification of managers and experts in the private and public sector, researchers, youth and advisers who will acquire basic knowledge and information for environmental protection. The benefits of this approach are expressed through knowledge of problems, successful problem solving and environmental protection and management in order to preserve the environment and create conditions for the development of a more sustainable world.

2. SUSTAINABLE DEVELOPMENT OF ENTERPRISES THROUGH STRUCTURE OF ENVIRONMENTAL MANAGEMENT STRATEGY

Sustainable development is a concept that is being developed to address the desires and needs of future generations, while at the same time it is aimed at meeting the needs of the present generations. The concept of sustainable development is the basis or an integral part of every enterprise on the basis of which a business policy is established and created in accordance with world trends and standards.

Environmental problems faced by companies in their work cause direct and indirect impact, which in turn causes certain positive or negative effects. Direct effects are caused by changes in the environment, such as climate change, aging population, contamination of drinking water sources, and so on. Indirect impacts arise as a result of certain activities in the country, such as the introduction of appropriate laws, appropriate rates of the so-called ecological taxes, changes in consumer behavior, investment decisions, and more.

During the operation, companies face specific problems arising from soil pollution, climate change and legislation. Also, companies should take into account the successful management of sustainable development and socially responsible business. The connotation of social responsibility is not just an assumption that it is an obligation (Ackerman, Bauer, 1976).

New systems of shyness replace old ones, and as a result, the development of sophisticated information technology dictates the rapid development of community development and the economy as a whole, including companies. The integration of environmental practices is a necessary process that encourages businesses to train environmental management experts and managers who will contribute to the successful management of the environment and the implementation of the ISO 14001 standard for the protection, conservation and improvement of the environment.

3. APPLICATION OF STANDARD ISO 14001 IN THE WORK OF THE ENTERPRISE

After the global economic crisis in 2008, affecting more countries around the world, the degree of economic and environmental implications has increased, especially in the countries of the European Union. Thus, over the past few years, all companies have faced the need to recruit specialists - environmental managers in order to successfully manage the identification and solution of environmental problems.

Challenges encountered by enterprises range from complying with the legal obligations of integral pollution prevention and control to adapting the environmental management system to successfully implement the ISO 14001 environmental management standard. The environmental management system specification dates from the beginning of the 1990s when the British Standards Institute (BSI).

Most companies adopt a systematic approach to managing their business. The various elements of these systems have been developed to help companies deal with certain functions.

ISO 14001 is a standard that protects, preserves and improves the environment. It contains a detailed program, tools and practices related to the environment, air pollution, water, land, waste management, total environmental protection costs, as well as total investments for the protection of the environment (Guinee, 2015). The implementation of the ISO 14001 standard has been applied to rationalize the available resources and timely inspection of defects and defects that can cause adverse effects on the environment.

Practicing a proper management concept creates the conditions for businesses to take advantage of the opportunities and benefits of effective environmental management through cost reduction and the use of renewable energy sources, to support effective initiatives to reverse the use of waste energy. Successful management concept implies recognizing the need for the implementation of ISO 14001 for the protection, preservation and improvement of the environment, raising the awareness of citizens on the rational use of natural and limited resources, and raising general culture and thinking in protecting the population, preserving and upgrading the environment to a higher level.

4. THE ROLE OF MANAGEMENT IN THE MANAGEMENT OF ECOLOGICAL PROCESSES

The various elements of business systems have been set up to help businesses deal with certain problems successfully. Most companies have adopted a systematic approach to business management, including activities related to environmental management systems. In this respect, the role and importance of corporate governance in the implementation and management of sustainable eco strategies is emphasized.

Managing sustainable eco strategies should recognize the potential risks and benefits that environmental problems can cause to businesses. Each environmental manager must understand all the pressures, risks and opportunities that environmental problems would cause organizations, the way in which they would be addressed, and the way to prevent their further development and expansion.

Managers must understand the nature of the impact of the problem, the way they appear, can develop a strategy for their solution, and develop a strategic direction for the organization. Managers must accept the concept of social responsibility before deciding what to do (Hopkins,2004).

Enterprise management has the greatest impact on environmental issues and proposes commitment to results and to help implement sustainable eco strategies and implement relevant standards. In order to achieve the stated goal, company management should adopt appropriate methodologies and strategies for redefining environmental problems in appropriate business processes through the application of an appropriate management management concept, the use of appropriate strategies, and the planning and undertaking of the action. Waste management systems set out the basic principles that should be applied to hell management of companies in the management, use of resources and its efficiency in terms of costs.

Enterprise management has the greatest impact on the implementation of the concept of sustainable development. The concept of sustainable development is the basis or an integral part of each company's strategy, which should be in line with the standards and trends of modern development.

Sustainability is a simple concept that relates to the exploitation of opportunities for achieving appropriate results. Sustainable development is a concept that is different from the term sustainability despite their frequent use as synonyms. On the one hand, sustainability is a condition, and sustainable development is a process of development aimed at achieving an ideal state (Sachs, 2015).

Successful management of the challenges facing the environment concerning the enterprises is a modern concept that allows for sustainable development and achievement of significant economic benefits, strengthening the economy at the local level, encouraging the development of a green economy and promoting environmental protection.

5. RESEARCH METHODOLOGY

Practical research has been conducted in the field research to see the real situation as to whether the owners of the company and management have an interest in investing in and promoting environmental protection activities on the one hand and understanding the real state of knowledge and awareness of employees about the opportunities for environmental protection and waste management strategies.

The possibility of research is considered as the willingness of companies to provide the necessary services, the type of business activities, financing the introduction of innovations in business in the field of sustainable economic development, implementation of appropriate standards, training programs for employees, new ways of work that will connect management approach, environmental protection and generating revenue. The survey was conducted in the period from 01.06.2017r.

From a structural point of view, the questionnaire consisted of ten closed and open questions. The questionnaire was divided into 90 respondents - in small and medium-sized enterprises, and 78 respondents showed interest and actively participated in the research. The structure of the respondents is as follows: 5 respondents or 6% belong to the age group of 18-27 years, 20 respondents or 21% belong to the age group of 28-37 years, 29 respondents or 38% belong to the age group 38-47 years, 18 respondents or 23% belong to the age group of 48-57 and over 57 years of age respondents 6 or 7% of respondents;

6. **RESULTS OF RESEARCH**

On the basis of the conducted research, the questions asked and the answers and observations received, the following results were obtained:

Asked - is the management ready to invest in business processes that will contribute to the improvement of environmental protection? 31 respondents responded positively, 44 respondents answered negatively, and 3 answered with I do not know; To the question - For what reasons are you unable to invest in business processes for the promotion of environmental protection? almost all respondents have the same answer: 70 respondents answered that finances represent a limiting factor for investment, and only 8 respondents answered that they were not sufficiently informed about the benefits of investing in this sector.

To the next question - Are you familiar with the legal obligations and the necessity of introducing appropriate standards in the operation? 31 respondents answered that, 25 respondents answered no, and 22 respondents answered that they were not sufficiently informed about when to implement the relevant standards. The fourth question - Are you thinking about information on environmental information that is being constantly updated? all respondents or 100% answered yes;

When asked "Do you regularly inform employees about the environmental aspects?" Most respondents or 58 respondents answered that information was shared with employees, and 20 respondents answered that they did not meet their employees on the need and protection of the environment.

To the next question- Are employees familiar with the standards your company implemented ? Almost all respondents responded to inform employees of the standards introduced in the company's business.

Asked - Are you familiar with the benefits of implementing the ISO 14001 standards? 46 respondents answered that the implementation of this standard contributes to the successful and timely detection and resolution of work problems, 32 respondents answered that this standard is implemented as a result of a legal obligation.

To the next question - Do you need institutional support for the implementation of the ISO 14001 standard? 72 respondents answered that they had a great need for institutional support, and only 6 respondents answered that they did not need them. Asked - Have you attended a thematic training on environmental protection as a management? 32 respondents answered that only one training was

attended, and 46 respondents answered that they did not attend any training;

Asked - do the employees of the company have thematic ecological training courses? Almost all respondents answered negatively, i.e. The managers of 73 companies answered that they did not have thematic training for their employees, and only five companies organized this type of training.

The results of the survey were designed to encourage the company to massively accept and apply standards, as well as to increase the awareness of employees and the public about environmental opportunities and raising environmental awareness.

CONCLUSION

The challenges faced by companies are moving towards the fulfillment of legal obligations in integrated pollution prevention and control, to set the environment to manage the system for the successful implementation of the ISO 14001 environmental management standard. The interests of the social community for the protection of the environment change the concept of the work of the company. A socially responsible company will seek and identify the problems of its stakeholders and will strive to treat them fairly⁶.

The research was conducted in order to examine the real situation regarding the management of information and employees in terms of whether it is an interest to invest in the introduction and promotion of environmental protection activities, understanding the real state of knowledge and information of employees' opportunities and strategies for waste management and sustainable development, and implementation and importance of ISO certification in the use of environmental protection opportunities and achieve long-term economic environment development.

The obtained results confirm the basic hypothesis that management and employees are not sufficiently informed about the benefits of implementing ISO 14001 and need institutional support for the implementation of this standard. Because this standard is internationally accepted, the management of Macedonian companies has a real need for implementation, but also requires a timely informed function of environmental protection, such as the level of management and within the enterprise.

Also, the results of the practical research focus on certain conclusions and guidelines and can change certain behavior and management activities in enterprises that will contribute to successfully respond to the challenges faced by companies in preventing environmental pollution, legal obligations on integrated prevention of environmental pollution, control and implementation and the ISO 14001 Environmental Management Standard.

LITERATURE

[1] Ackerman, R., Bauer, R., (1976) *Corporate* social responsiveness: The modern dilemma, Reston, Virginia, Reston Publishing

⁵ Stephanie Draper, Corporate Nirvana: Is the future socially responsible?, London, Industrial Society, 2000.

- [2] Buckley, R. ed., (2004) *Environmental impacts of ecotourism*, CAB International.
- [3] Butcher, J. (2007) Ecotourism, NGOs and development: A critical analysis, Abingdon, UK: Routledge
- [4] Draper, S. (2000) Corporate Nirvana: Is the future socially responsible?, London, Industrial Society
- [5] Глушица З. М., (2005), "Имплементација и сертификација на ИСО 14001", Нови Сад
- [6] Guinee J., "Operational Guide to the ISO Standards", Kluwer Academic Publishers, Dordrecht, 2015
- [7] Fennell, D. (2002) *Ecotourism programme planning*, CAB International.
- [8] Hill, J., Gale, T. (2009) eds., *Ecotourism and environmental sustainability: principles and practice*, Abingdon, UK: Routledge.
- [9] Honey, M.,(2008) *Ecotourism and Sustainable Development*, Washington, USA: Island Press.
- [10] Hopkins M. "Corporate social responsibility", Policy Integration Department World Commission on the Social Dimension of Globalization, International Labour Office Geneva, May 2004
- [11] Maksin, M., et al. (2009) Menadzment prirodnih i kulturnih resursa u turizmu, Beograd, Singidunum: Srbija
- [12] Недановски П.,(2004), "Економски аспекти на заштитата на животната средина", Економски факултет, Скопје, 2004
- [13] Sachs J.D., "The age of sustainable development", (2015), Colombia University
- [14] Suarez, F.& Lanzolla, G.,(2005), "The Half-Truth of First-Mover Advantage", Harvard Business Review, No. 83(4), pp.121-134
- [15] Wearing, S., Neil, J. (2009) Ecotourism: Impacts, potentials and possibilities, Oxford, UK: Butterorth-Heinemann.

SUMMARY

Paper, Influence of Management in the Process of Achievments of Sustainable Development of Enterprise by the authors Postolov Kiril and Magdinceva Sopova Marija, deals with a topic of interest in the area of integral prevention and pollution control to the adaptation of the environmental management system in order to successfully apply the ISO 14001 standard. Namely, today, the paradigm of the functioning of the company is being replaced. In the past, their success is seen through the achievement of effectiveness and efficiency their in functioning. Today, new paradigm said that the success is not only effectiveness and efficiency,

but also the relation of the enterprise to the environment and its prevention.

Within this effort, the authors focus their subject matter on research in terms of the willingness of the enterprise to fulfill the legal obligations for the management of the environment.In this regard, sustainable and sustainable development must be kept in mind. In the context of the subject of research in the work, the authors are inclined to pursue an empirical research to show how this new concept is accepted and used by the managers in Macedonian companies through the creation of an appropriate strategy in their functioning. For this purpose, an appropriate empirical research was conducted through the survey of 78 samples in the period from 1.6 to 30.6 2017. In doing so, an appropriate example was made where managers were divided according to the age structure in a number of groups - or from 18 years to the age group and up 57 years. Managers respond to types of questions, their willingness to invest in business processes that promote the improvement of environmental prevention, which are obstacles that reduce the ability to finance those activities. In addition, issues related to the awareness of legal obligations, the information of the employees on the need for environmental protection, as well as information related to the standards applied by the enterprise in relation to this issue. Also, the subject of research is the benefits for the implementation of standards, institutional support and training. The obtained results confirm the basic hypothesis that management and employees are not sufficiently informed about the benefits of implementing ISO 14001 and need institutional support for the implementation of this standard. Because this standard is internationally accepted, the management of Macedonian companies has a real need for implementation, but also requires a timely informed function of environmental protection, such as the level of management and within the enterprise. Also, the results of the practical research focus on certain conclusions and guidelines and can change certain behavior and management activities in enterprises that will contribute to successfully respond to the challenges faced by companies in preventing environmental pollution, legal obligations on integrated prevention of environmental pollution, control and implementation and the ISO 14001 Environmental Management Standard.