

The role of "green management" in the implementation of the concept of social responsibility

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Abstract: Corporate social responsibility is not only an opportunity for businesses, but also a prerequisite for a balanced society. The interaction between individuals is certainly necessary for the company to succeed, but shareholders profit is no longer the only aim of the company; before this comes social responsibility, which has become a central theme of contemporary more developed part of the global economy. Slovenian managers are inspired by foreign companies; as a result they lead companies into business that is going to leave a positive impact on the economic, meaning legal and ethical sphere. Anyway, there is still much more to be done for so-called "Green management" to flood the human, enterprises, social environment. Once the awareness of the importance of social responsibility becomes a way of life and thinking, this will open a new period.

Keywords: *Social responsibility, "green management", socially responsible enterprise rehabilitation of the social environment, public sector*

Vloga »zelenega managementa« pri uveljavitvi koncepta družbene odgovornosti

Povzetek: Družbena odgovornost je ne samo priložnost za podjetja, ampak tudi pogoj za uravnoteženo družbo. Za uspešnost podjetja je vsekakor potrebna povezanost med posamezniki, a pred pusto ustvarjanje dobička za delničarje kot edini cilj podjetja, prihaja družbena odgovornost podjetja, ki je postala osrednja tema sodobnega razvitejšega dela svetovnega gospodarstva. Slovenski managerji se zgledujejo po tujih in tako se podjetja pri nas že usmerjajo v poslovanje, ki bo pozitivno vplivalo na ekonomsko, zakonsko in etično področje. Še veliko bo potrebno prevetriti, da bo t.i. »zeleni management« preplaval človeka, podjetje, socialno okolje. Ko bo zavedanje pomembnosti družbene odgovornosti postalo način življenja in razmišljanja, bo to začetek novega obdobja.

Ključne besede: *Družbena odgovornost, »zeleni management« v okolje, družbeno odgovorno podjetje, sanacija okolja, javni sektor*

1. Introduction

One of the major challenges of mankind in this century is sustainable and balanced society development. Without respect for our natural system, social and environmental values, needs of present and future generations will not be fully satisfied. In this case companies with their socially responsible behaviour play a key role and make a major contribution to a balanced society (Štebih, 2009).

One of the most important tasks and desires of companies is to be able to build and expand the company's reputation in the external environment, including customers, suppliers and wider, and internally among employees. Socially responsible behavior of companies has a direct impact on the company's reputation and also on their performance and competitiveness in the market.

This article defines general knowledge on social responsibility, the role of classical and modern management in enterprises, guidelines for social responsibility in the EU, it also exposes the situation in Slovenia. In the best practice case are presented some implications of possible solution to become corporate socially responsible in business, namely as one of the manifestation forms of green management; as a »green office«.

SR should be seen more widely, CSR (Corporate Social Responsibility) is certainly important, because we are part of social-economic whole that is a driving force of human existence offering us survival and comfort, at the same time can be a driving force in the area of environmental and social awareness and responsible behavior for the common good. CSR is the part of the overall concept of social responsibility, which widely includes socially responsible behavior of individuals in different spheres of social action (individual and group behavior within the family, interest groups) with knowledge and the real socially responsible attitude to fellow human beings.

The world economy has reached a point of extreme saturation and Slovenian economy is no exception to this. Some of possible causes for the global economic crisis could be found within the saturation of goods, supply, jobs, labor, leading not only to the global financial crisis, but also to a crisis of relations, raising moral and ethical questions of certain segments of the global economy; meaning legal and social action. From this perspective, the emergence of the crisis is a positive variable, because it has opened a new debate on the further functioning of social systems; society has also found itself in an intense search for possible solutions in the way out of the crisis and finally faced the fact that traditional forms of economic theories, nevertheless they might have shown the possibility to achieve economic progress as an exit few times in similar crisis once every few decades, have a huge deficit that can be gradually dispatched by incorporating socially responsible practices in all segments of human activity. The crisis is an opportunity for a fresh start to set a new strategy to achieve long-term economic, environmental, ethical and social effectiveness and consistently and effectively erase the consequences of the social irresponsibility and ignorance of yesterday, we feel today.

At this point is necessary to mention that there is a specific need for bringing basic information to rise awareness about being social responsible, to the Slovenian public sector, which in most cases still does not know the meaning of social entrepreneurship, as well as this problem is almost the same in the profit-making private sector, which is also just beginning to understand there are other more social motives than just seeking for higher rate of financial return on investments.

After a year 2000, the European Union has published several documents that carry strategic importance for the development and promotion of corporate social responsibility. Based on the finding that CSR can contribute significantly to achieving the objectives pursued by the European Union in the Lisbon strategy (to improve competitiveness, achieve excellence and create a sustainable society), the European Union with its Green Paper in year 2001 stimulated efforts of countries to develop social responsibility. The Green Paper states that the harmonious development of enterprises and the environment in which business operates, are led by the following business practices: investing in intellectual capital, employee health and safety, improved family and work coordination, women's equality in the workplace, cooperation with the local community in the process of corporate restructuring and other aspects of business affecting the quality of life in the local environment. In Slovenia, over the years ahead, a number of events to implement corporate social responsibility appeared. The increasing number of companies in Slovenia is starting including CSR in their practice in various forms.

2. The role and concept of management in the business environment

2.1 Classical aspects of management

Management is the process of decision-making, planning, scheduling and directing organizational resources, leading, controlling and evaluating the implementation of activities in the company. It is also an economic and organizational discipline, as it was in early 20th century based by Fayol. In other hand Drucker in his works justified some key principles of management.

Management focuses on people. Its mission is to prepare people to act together for common goals. The point in bringing people together in businesses and organizations and also the reason that management is a critical and in most of the times a decisive factor in the success of the company. It is necessary to possess skills and management knowledge to lead in the spirit the people and the company benefits become the most efficient and competitive, with shortcomings irrelevant. Ability to contribute to the success of the organization and to the functioning of society in general, depends not only on our skills, but also on the efficiency of management.

Management is very dependent on culture, in which it operates. In principle, the management in the U.S., Slovenia and Denmark is, from the theoretical point of view, practically the same thing, the difference is in how managers manage according to the cultural and environmental particularities of each area.

Every organization needs a commitment to common values and objectives. The organization, therefore, any company should have clear and merging objectives. Organization's vision and objective ought to be known to all employees and stakeholders, while it should be sufficiently ambitious in order to subsequently create a common vision for action.

Management should also enable employees and therefore the company to grow and develop their skills. Each organization is a learning institution; training and development should be included in all of its segments of existence

and functioning. Organizations should have a spiral development that never stops, do not circulate on the same axis, but after reaching the objectives, raises new goals and strategies, how they are going to be achieved through the principle of learning organization.

Each organization is composed of people with different skills. Management should stimulate communication between employees, management and environment and also stimulate SR of each individual. All members of the organization should feel related with their companies and think about what they could achieve and how to operate to make the best contribute to the company as a whole. Networking, accumulating knowledge and transforming it in the results is very important nowadays.

The financial gain is far from the only thing which is used to measure performance of the organization. It is necessary to monitor market share, degree of innovation, market situation, efficiency and productivity, human development, quality and financial performance - the keys to success and survival of the organization as described in Drucker (2001).

2.2 The modern management as an opportunity to implement social responsibility

On this point, it must be emphasized that the modern concepts of management with mission and vision, reached beyond classical management, which we know as the science of managing organizations, divided into certain branches inside. Through innovative approaches of modern management we can come to the path that allows the application of corporate social responsibility into business and thus to systemic change that have short term and long term impact on the quality of living of individuals and society and the environment itself. Two decades ago the main and only objectives of any organization were financial gain, best market situation, good productivity, lowering costs, increasing efficiency and financial results. Even today, these are not insignificant terms – a company operates on a profit counting system, financial results count, it adjusts as much as possible to the market, but with increasing awareness and responsibility towards the environment in which the company is located and which it may harm or benefit.

Believing that the environment, drawing goods from it and devastation at the expense of maximizing profits is negligible fact, is an old and rusty theory. Of course, the society in industrial revolution and economic progress of earlier centuries, did not feel the need to question any moral questions about ecological impacts of economic-growth on the environment and society at that time and after. The emphasis was on concepts mentioned above; the only question that had to be answered was if economic expansion was blooming. Today, the picture is completely different.

A saturation of all kinds of goods and the consequent supersaturation of the environment with packaging, exhaust gases, toxins, and other electrical smog made out of electrical and electromagnetic fields, radiation, artificially grown food above the comfort of the modern world we note the consequences that centuries of economic progress persistently brought us. That is the reason, why traditional inward-looking management and leadership skills (which historically considered only the purpose - typically profit - and the methods for achieving it) are no longer sufficient for sustainable organisational success and common good. Organisations have a far wider agenda today. Moreover, performance, behaviour and standards are transparent globally - the whole world can see and judge how leaders and organisations behave - and the modern leader must now lead with this global accountability.

Socially responsible behavior is a contemporary product. In order to be able to achieve long lasting results, we have to give the Earth and society long-term treatment covering all segments of social action not just emergency first aid, or otherwise; Rousseau in his Treatise on social functioning compared state apparatus with functioning of the human organism. He wrote that the social economy also includes a political body which as whole can be compared with the human organism. Assuming that a political body is functioning like a human organism; it is possible to compare functions of the body of a man with features of the political apparatus; brain, law and consumers-users of goods, economy, industry and agriculture are the mouth and stomach that creates work and capital, social income is the blood that circulates throughout the body and allows the social economy as the heart of the body, through the distribution, to drive the entire body. Citizens drive this engine to live, move and work. If any part of the engine breaks down, it affects the whole body, or otherwise; organism functions on the principle of reciprocal sensitivity and internal correspondence of all parts of a whole. If the communication between these parts becomes weak or is lost, man dies, therefore, summarized from the present case, the social economy stops functioning. Political body also have moral responsibility to individuals and groups, in terms of ensuring the common good. The system specific functions that operate in sequence and are interdependent also explain the link between social environment, which can be divided into a working business environment of individuals and society and the biological environment in which we live, and the mind, interests and function of human law. If social responsibility is going to be in a constant presence in all these

segments, the social body will work symbiotically together with the environment. If one link in the chain breaks down, or the communication between these components is weak or interrupted, there will not be possible to achieve comprehensive results.

3. Social responsibility, its standards, objectives and strategies

"Social entrepreneurs combine the entrepreneurial spirit and sense of community with the aim of creating social capital for the benefit of community development." (Morse, Dudley, 2002). Generally regarded socially responsible practices that go beyond compliance with legislation, then bring additional benefits for any of stakeholder's groups.

SR is a concept through which company management in their business operations and also in their interaction voluntarily integrates social and environmental issues. Implementation of SR is also crucial in terms of achievement of objectives in the environmental field.

Social responsibility is linked also to the basic mission of social entrepreneurs-innovators and the combination of a high level of creativity, management skills, management innovation and management. These are the basic skills available to the social entrepreneur. It is therefore a classic skills of modern management with a desire to achieve results of a wider range. It means exit from the self-serving business framework with the only aim of profitability into a humane, socially responsible engagement with the business. Education and training of social entrepreneurs, therefore, in some key stages differs from conventional business-managerial training.

The purpose of using green modern management is in developing knowledge, skills and tools to contribute to reducing the negative effects of contemporary socio-economic development and an intensive search for new solutions. We are confronted by the growing demands from unequal opportunities in several social and economic segments, as well as to the need for early and effective rehabilitation of a situation in which we find ourselves as biological and entrepreneurial society.

In recent years different standards of social and environmental responsibility, including management of stakeholders in judging and reporting, appear. Among them is the standard AA1000 Stakeholder Engagement Standard, developed by the organization/association Accountability. Standard helps companies to develop an integrated strategy of cooperation with stakeholders on the principles of active involvement of stakeholders, taking into account the stakeholders "without voice" as future generations and the natural environment as described in Zavašnik (2006).

Stakeholders with a view to promoting social responsibility and include participating in both ways, companies work together with stakeholders on the basis of external pressures and issues that stimulate certain conflicts. Participation of stakeholders and integration of the comprehensive process that brings advantages, improving the reputation of the company, a better understanding of the market, discovering new opportunities, building trust with stakeholders. Successful cooperation with stakeholders does not just help the company to protect and build its role in an increasingly complex and changing business environment, but also contributes to the systemic changes that lead to sustainable development (Zavašnik, 2006).

4. Socially responsible company through the prism of development of »green management«

In integrating social responsibility in the performance of the enterprise is necessary for management to prepare the overall strategy and to highlight the benefits of the company if they operate in accordance with the principles of social responsibility. It is necessary to comply with business efficiency and competitiveness. In deciding how to tackle the preparation of the strategy and actual implementation of elements of social responsibility into business in a green management way is important to consider the following actors; customers, community and other stakeholders. Their views on the company are created through the aspect of how business impacts on the environment, etc. Also any company desires to attract and retain good staff. Loyalty and motivation of employees in the company will also be greater where there is a socially responsible attitude present at the level of employee-management-environment. The relationship with business partners will be more effective if based on the principles of SR, local authorities and financial institutions will also support the company, if it acts socially responsible. It is therefore possible, taking into account the principles of SR, accelerate the sale of products and services and raise the quality of them. In 1999 a survey on CSR was made, with a total of more than 25,000 citizens of 23 countries on six continents (UNDP, 2005). The results showed that half of those surveyed answered that socially responsible behavior is important and has given

the impression of greater impact to the company's socially responsible practices (56%) as quality and brand image of the product (40%) or basic indicators of business (34%), (Štebih, 2009).

The businesses that are aggressively adopting sustainability in the office take a "systems thinking" approach that recognizes greening the office cuts across the organizational structure. It requires cultural change, and results must be financially measured just like all other activities within the company. It also requires recognizing that the office is not an island, but part of a supply chain involving stakeholders, keeping in mind that one oft-forgotten stakeholder is the customer.

The most important question to keep in mind is: How can a business's procedures help curb their customers' emissions? Not only is going green in a business marketable, but it could also soon be law. For example, Slovenia legislated requirement of reduced carbon dioxide emissions. State of California in USA is also exploring the impacts of shopping malls, housing density and availability of mass transportation on the generation of carbon dioxide.

This systems thinking approach recognizes that lasting change engages everyone involved in the greening movement in an office, and is based on the same highly disciplined performance monitoring that's applied to the reporting of financial performance. This broader perspective expands the range of scope to include suppliers, work associates, management, waste handlers and customers. It implies that focusing on the low-hanging fruit--easy greening measures such as energy-efficient lighting or recycling what's in the waste basket--can only produce limited results. Success in greening the office requires the same cultural commitment, engineering design, management, leadership and performance monitoring as applied to the business's core operating criteria.

4.1 »Green management« development and application

Outside home, we spend most of our time in offices. Through practising green management in the office, we can achieve more efficient use of resources and reduction of waste, save energy and money, and help improve our working environment. Among SR more and more emphasis and focus on "Green management" in business and social environment is observed. It is a concept, that can be implemented in business practices and social environment with a goal of achieving tangible results. Manifestations of "green management" are, so-called "Green-offices", which carries the actual content, intended for use in business (more detailed description in the following paragraph--best practice example), ecological acceptability of products and services that are to some extent provided by law. The company that is undertaking statutory frameworks is in an absolute advantage. Among such undertaking is the principle known as 4-R Principle; Reduce, Reuse, Replace and Recycle. Green office management is simple and easy to apply in use.

Under "green management" it is already occurring a trend called "Green procurement", which means that priority in public tenders have bidders who are not only best price bidders but include in their offer aspects corporate social responsibility principles. This suggests that the public sector is already flirting with green content, thereby helping to improve the working and biological environment. An example of "green procurement" was the municipal procurement of computer equipment, where the competitive advantage had a bidder that offered computers with 70% biodegradable materials, although the price was slightly higher than prices of other computer bidders, whose computers did not allow decomposition and were producing more electrical smog and radiation, thus providing employees worse working conditions and accumulating additional quantities of non-biodegradable waste in the environment.

4.3. Best »green management« practice example: »Green« business office Poravnava d.o.o in Koper

Company Poravnava d.o.o. is based in Ljubljana and have 16 business units throughout Slovenia. The company is in service-oriented business, dealing with representing and intervening in the cases of insurance compensation payment for clients. In the eight-year business tradition, the company is now taking some socially responsible actions; leadership and management are encouraging teamwork, planning internships, employment and introduction of new staff is carefully planned, management provides any newcomer a mentor-tutor, a long time employee, who helps and leads newcomer through the working process.

Also a concern for employee training and personal and professional development is huge. The company also promotes informal forms of socializing employees, rewarding employees, choosing the best employee of the year, etc.. Poravnava d.o.o. has the status of "family-friendly company", since 2009. It has been based on the following

measures: employees benefit from part-time work for family reasons, integration into the workplace after maternity leave, support for active fatherhood.

Poravnava d.o.o. branch in Koper, is now moving to a new office space, because of business purposes. Moving is now a challenge; it means the opportunity to equip those premises in a spirit of social responsibility, "green office" in Koper will be our first office where as many aspects of the SR as possible are going to be included, with the desire to achieve concrete results. Basic principles of 4-R's we are going to apply, are: paper saving, meaning minimizing photocopying paper consumption, using both sides of paper for printing and photocopying, using blank side of used paper for drafting/photocopying for internal reference, using electronic means extensively for communication, including the sending of electronic files instead of hard copies. We are going to encourage the use of recycled paper, monitor saving lighting, maintain air-conditioning not lower than 25.5 °C in summer, switch off lights during lunch or when away for long hours, switch off computer equipment and electric appliances not in use, monitor electricity consumption, use timer water taps in toilet, collect computer printer toner and ink cartridges for refill and recycling, put up recycling boxes to collect paper, used CD, plastic bottles and aluminum cans for recycling. In greater part those principles we are going to apply mainly in all our 16 units. In Poravnavas' unit in Koper we are going to go few steps further; we are going to apply a large perforated promotional sticker on the external office glass. The label sticker means a permanent promotion (3 years), resulting in many ways; it is a efficient marketing strategy. In the south-west region we could therefore totally eliminate gluing paper jumbo posters, which we have so far practiced as our marketing tool. At the same time the perforated label sticker gives following positive effects; from the outside is efficient and easily visible, due to perforation is at the same time allowing light to enter the office, which also means saving energy, because it is not necessary to have artificial light every day of the week. The following measures of our »green« office are going to be followed by purchasing and using of 70% biodegradable "green" computers with user-friendly reduced radiation and the purchasing of recycling phones Samsung Blue Earth, driven by solar cells.

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