

Environmental responsibility as a need for successful modern business

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Abstract- The great challenges and problems in the new millennium in the field of environment due to intensive economic and technological development all over the world have taken on the characteristics of an ecological crisis. Excessive urbanization, uncontrolled development, over-exploitation of forests, mining, transport and industry have negatively affected environment all over the world. The consequences of such a state are numerous, from global climate change, ozone depletion, genetic mutations of organisms, extinction and spread of endangered plant and animal species to worrying depletion of natural resources.

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Challenges, Environmental, Development, Organisms

Terms-

I. INTRODUCTION

Having in mind the scope and areas of environmental pollution, including all natural resources, for the preservation and protection of the environment is necessary to have a comprehensive, holistic approach, ie to implement all measures and activities in a systematic way.

Environmental protection means a series of measures and activities from legal, technical, technological and other, which are taken in order to best prevent, eliminate or mitigate the consequences and causes of environmental pollution and excessive consumption of natural resources. It also includes anticipation of all human activities and activities that may negatively affect, endanger and degrade the environment in order to prevent them.

In order for the improvement of the environmental safety, it is necessary to consider all negative effects, work on their solution, reduce them and, if possible, completely eradicate them. These are the reasons that environmental management emerged, a part of various activities. Environmental management is a relatively young scientific discipline, which has a key role in establishing sustainable development and harmonizing its three sectors of development: social, economic and environmental.

II. ENVIRONMENTAL MANAGEMENT

For achieving the desired state of the environment in the future, there must be used planning methods and models to help in conducting sustainable development policy. Therefore, it is necessary to develop methods of environmental management at the level of theory, as well as at the level of regulations, standards and guidelines. This requires responsible elected representatives at all levels, and effective committees at the central level, which can assist in the adoption of sustainable environmental development policy, to consider proposed laws and regulations, to monitor the effectiveness of the implementation for adopted laws, to conduct investigative hearings and to play a key role in regional networks.

The principles and elements of environmental management strategies include the following:

- environmental policy
- planning,
- introduction and implementation verification and corrective action
- review and improvement
- continuous improvement.¹

The economic dimension of sustainable development is taking part in responding to global competition and achieving competitive advantage through more efficient use and increasing the productivity of available resources, while taking into account the elimination or minimization of negative environmental impacts.² The implementation of eco-management in ecology and sustainable development imposes certain changes in thinking and business. Environmental management refers to environmental planning and its focus is on implementation, monitoring, control as well as practical issues to be faced in terms of environmental protection, for example, modification of habits that harm human nature, and it is much more than theoretical planning.³

In theory and practice, there is a combination of ecology and marketing and the offer of a new series of products free of harmful substances. In promotional campaigns, companies are increasingly releasing labels of healthy and green, so green marketing has developed as a result of the joint action of marketing

¹Đukanović, M., (1996), "Životna sredina i održivi razvoj", Elit, Beograd

²Elesawi A., (2018), Uloga energetske efikasnosti u sistemu održivog razvoja na primeru održive izgradnje u Libiji, Union Nikola Tesla, Beograd

³ Milutinović S., (2012), Politike održivog razvoja, Fakultet zaštite na radu u Nišu, Niš

and ecology. From the point of view of environmental needs, market research is becoming an extremely important segment of marketing companies that suggest to producers the most cost-effective ways of connecting ecology, aesthetics, business and ethics.⁴

III. ECONOMIC INSTRUMENTS FOR ENVIRONMENTAL PROTECTION

Environmental protection appears as a new limiting factor for capital increase, because additional environmental costs in the long-term trend can negatively affect this process. The application of modern tools such as, for example, strategic environmental impact assessment is certainly one of the ways to achieve this goal. Also, empowering the poorer population and less developed regions to manage natural resources appropriately, for example through better access to information, judicial or participation in decision-making mechanisms by involving the public in the earliest stages of decision-making or any other appropriate means.⁵

According to the OECD, there are the following economic instruments for environmental protection:

1. fees and taxes for pollution emissions;
2. user fees and taxes;
3. penalties;
4. product fees;
5. performance guarantees and,
6. compensation.⁶

Pollution Emission Fees and Taxes-emission charges are direct payments based on estimates and specific measurements of the concentration and type of pollution. These measures, especially in transition countries, affect a large number of producers and in most cases are combined with penalties.⁷

User fees and taxes - This instrument of environmental policy is usually local in nature, ie. it is applied at the levels of local communities. The funds collected in this way are used to finance specific environmental problems in certain localities, such as: disposal and collection of waste, improving the quality of drinking water in the place/commune, exploitation of raw materials, hunting grounds, ponds and the like.⁸

Penalties-Taxes and penalties are the simplest and easiest to apply mechanisms, but it does not mean that they are the most desirable, nor the most effective for environmental protection. When a production has resulted in a negative external effect and when there is a difference between social and private costs, a properly determined amount of fine or tax, the producer faces the social consequences of an economy that does not respect

environmental standards. The purpose of this tool is to equalize private and social costs and benefits.⁹

When the manufacturer is charged a penalty in the amount of the marginal cost of pollution, the marginal private and social costs will be equalized. The manufacturer can reduce pollution by reducing the volume or changing the method of production. Changes in production methods may cause expenditure on pollution control devices or increase costs due to switching to another type, more environmentally friendly raw material.

Product Fees-Products whose production causes environmental pollution during production, consumption or in the form of waste are burdened with estimated social costs. The goal is to adjust the relative prices of products, in order to reduce their demand. The funds thus collected serve to finance a changed method of production, which is more environmentally friendly. Product fees can be applied e.g. on artificial fertilizers, pesticides, plastic packaging, batteries and the like.¹⁰

Performance guarantees - Producers or users of natural resources are obliged to provide a guarantee, which guarantees compliance with environmental conditions. Upon fulfillment of obligations, the warranty is returned to the manufacturer.¹¹

Compensation - For the functioning of this economic instrument, the role of the state is necessary, which has the obligation to create and guarantee the civil right to compensation (discussed in previous chapters) or has regulations through regulations for compensation through funds, water pollution compensation funds, funds for damage from oil slicks and the like).¹²

Assets raised through these funds can be made available to those affected by pollution or to the state. It depends on the specific situation and circumstances which individual instrument or which combination of instruments should be used. The choice of economic instruments also depends on the priority goal to be achieved. If the level of penalties is higher than the amount of protection costs, it is to be expected that economic entities (companies, entrepreneurs, etc.) will behave economically rationally and decide to provide an appropriate level of environmental protection. Conversely, in the event that the cost of the fine is lower than the cost of preserving the environment, through means of protection or more expensive raw materials and procedures, companies are likely to opt to pay the fine. On the other hand, the penalty will mean budget revenue that the state, could use for other purposes, and the environment will become polluted.

Specific protection problems are best solved by a combination of economic and other instruments. Economic instruments applied alone will not give optimal results. How successful will be implementation of different instruments will depend on the accompanying combination of individual policies.

⁴ Klincov R., i Ristić Ž., (2011), Ekološki menadžment, dostupno na

http://www.poslovnestudije.com/arhiva/radovi2011/radovanklinov_zarkoristic.pdf

⁵ Milutinović S., (2012), Politike održivog razvoja, Fakultet zaštite na radu u Nišu, Niš

⁶ Popov Đ., (2011), Ekonomska analiza prava životne sredine i održivi razvoj, Zbornik radova Pravnog fakulteta, Novi Sad

⁷ Ibid

⁸ Ibid

⁹ Popov Đ., (2011), Ekonomska analiza prava životne sredine i održivi razvoj, Zbornik radova Pravnog fakulteta, Novi Sad

¹⁰ Ibid

¹¹ Ibid

¹² Ibid

Economic instruments that should encourage energy efficiency policies in developing countries should include the provision of various benefits for companies that implementing policy of higher energy efficiency. Energy efficiency principles must be incorporated in public procurement and implementation criteria for allocating funds from domestic and international funds and loans.

Establishment of funds to support projects that have built-in elements of increased energy efficiency policies as well as cooperation with international financial institutions in order to implement favorable credit arrangements, attracting foreign and local banks to have an interest in lending to projects in the field of rational energy use, are important steps for achieving environment safety.

The high costs of new technologies, which reduce carbon dioxide emissions, are not justified from an economic point of view for the simple reason that the imposed increase in production costs for environmental reasons reduces the country's competitiveness, firms and market competitiveness. That is why a system was launched in which all countries of the modern world receive permits for pollution (based on the allowed amount of carbon dioxide).¹³

From a global point of view, all economic and environmental problems are observed as planetary issues in the structure of the prevailing doctrines and scientific paradigms of today's economy, social theory, natural science and technology. Ecological rationality rediscovers the fact that the preservation of natural resources and the establishment of natural balance are a reflection of a new economic philosophy in which ecological standardization, reduction of technological and consumer pollution, ecocycling, environmental legislation and education, environmental research and investment in protection of human beings and their spiritual culture, mental and moral health of people.¹⁴

IV. ENVIRONMENTAL MANAGEMENT

Team of professionals in human resources dealing with the issue of sustainability, represents employees as an interest group that has a key role in forming "green teams" and encouraging employee engagement on environmental and other issues. The human resources team also achieves goals that are their responsibility, such as employee turnover, safety at work, and employee satisfaction. Green human resources use the employee's ability to respond to demands for the promotion of environmental

sustainability through the results of their work and improve employee awareness and commitment to sustainability issues.¹⁵

Ecomanagement involves planning, organizing, personnel policy, management and process control. Education and training of people who wants to be an expert in eco-management are very important.

Ecomanagement is part of good business practice in all organizations that have a clear strategy and goal based on continuous improvement of their processes. For organizations involved in urban sustainable development planning, it represents challenge and a way to prove and commit to new approaches, new philosophies, new ways of thinking, critical and scientific approach, readiness and ability to change and undertake business and other endeavors with better efficiency and with the general affirmation of effective practice.¹⁶

Methods and instruments for environmental management are systematized tools for obtaining information on the environment and assistance in making decisions on the environmental impact of current or planned activities in order to protect and improve the environment, ie achieve the goals of sustainable development. These funds can be used by all social actors (either from the private or public sector), in sim activities and at all levels, from local, through regional, national to international.

In practice, a large number of eco-management tools, are applied. Some of the instruments are used as a legal obligation, some are standardized at the level of national or international standards and their application is voluntary, while others are in the development and improvement phase.

Strategic environmental assessment can take several forms:

1. Sectoral (strategies for the development of transport, energy, water management),
2. Spatial (assessment of spatial plans at the state, regional and local level),
3. Indirect (environmental assessment of scientific programs, plans for privatization of public enterprises, etc.)¹⁷

The scope of strategic environmental assessment includes testing of quality: air, water, soil, biodiversity, as well as waste recycling. In addition, it may include multi-source impact assessment (cumulative impact assessment) and social impact assessment.¹⁸

Objectives of environmental management include:

- Prevention and solution of environmental problems;
- Establishment of boundaries;

¹³Klincov R., i Ristić Ž., (2011), Ekološki menadžment, dostupno na

http://www.poslovnestudije.com/arhiva/radovi2011/radovanklinic_ov_zarkoristic.pdf

¹⁴ Bogavac I., Ristić Ž., (2012), Ekološki menadžment, Medunarodna naucna konferencija Menadžment 2012, Mladenovac

¹⁵ Elesawi A., (2018), Uloga energetske efikasnosti u sistemu održivog razvoja na primeru održive izgradnje u Libiji, Union Nikola Tesla, Beograd

¹⁶ Grujić K. i Živanović N., (2012), Ekološki menadžment trendovi razvoja u ambijentu, Medunarodna naucna konferencija Menadžment 2012, Mladenovac

¹⁷ Mihajlović D., Stojanović D., Ilić B., (2011), Ekološki menadžment u funkciji društveno ekonomskog održivog razvoja, SPIN '11 VIII Skup privrednika i naučnika: Operacioni menadžment u funkciji održivog ekonomskog rasta i razvoja Srbije 2011-2020, FON, Beograd

¹⁸ Ibid

- Establishment and maintenance of institutions that effectively assist environmental research, monitoring and management; and, if possible, improve existing resources,
- Where possible to improve the “quality of life”,
- Identify useful new technologies or policies.¹⁹

Approaches to environmental management

Environmental management should modify the ethics of individuals, groups and societies in order to achieve its goals, through three main approaches:

1. Advisory:

- education;
- demonstrations (eg farm or factory model);
- media or closed approaches - eg the letter includes a message);
- advice (eg telephone helplines).

2. Economic or fiscal:

- taxation (“green fees”);
- loans, assistance;
- discounts;
- quotas or trade agreements.

3. Regulatory:

- standards;
- restrictions and monitoring;
- licenses;
- determination of a zone (restrictive activities in a given area).²⁰

Environmental management must be flexible, adaptable and perceptive so that it can respond to the various demands of the powerful, environmental change, public attitudes and human capabilities. Environmental coordination requires coping with the constraints, potentials, risks and dangers of both the environment and people.

Environmental management involves a large number of different professional institutions and agencies such as:

- government agencies (eg the European Environment Agency);
- international bodies and subsidiary organizations (eg the World Bank);
- research institutes;
- non-governmental organizations (“Friends of the Earth”);
- public.

All potentials that are managed by environmental management should be used so that individuals, groups and society are directed to the path of sustainable development.

V. CONCLUSION

It is possible to operate responsibly towards society and the environment and be a competitive and profitable company at the

same time. Observes in the context of long-term investments in renewable energy sources, ecological production and waste management, which will make business not only resistant to climate change challenges but also much more competitive because the fight against climate change is an opportunity for companies to introduce innovative solutions, process and product modernization and thereby creating new opportunities in other markets.

The business people realized their key role in protecting the environment, if they became aware of the pressure that their business activity exerts on the environment. And just as employment is a key prerequisite for social security, so environmental protection has become a leading prerequisite for a company's business. Marketing, management and public relations, in order to gain an ecological reputation, which predominantly determines consumer decisions on the purchase of (environmentally friendly) products, must pursue a responsible environmental policy

Environmental pressures from the public have forced an accelerated transformation in the valuation of managerial success, which, in addition to the usual managerial performance based on profit growth, incorporates a long-term component of team development ability that successfully introduces the company to sustainable development, with high ecological morale of employees and so-called green production.

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