

# SOME REFLECTIONS ON THE ISSUE OF ENTERPRISE SUSTAINABILITY IN THE CONTEMPORARY CONTEXT

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**Abstract:** THIS ARTICLE IS FOCUSED ON THE ANALYSIS OF THE ISSUE OF SUSTAINABILITY WITH REGARD TO ENTERPRISES IN THE CONTEMPORARY ECONOMIC AND SOCIAL CONTEXT. IN A BROAD SENSE, THE SUSTAINABILITY OF COMPANY IMPLIES THE INTEGRATION OF ITS PRINCIPLES INTO THE ENTERPRISE'S OPERATIONS. THUS, IN THE CASE OF COMPANY OPERATIONS, THE SUSTAINABILITY REQUIRES THE USE OF RESOURCES, SO THAT THE COMPANY WILL CONTINUE TO OPERATE FOR MANY YEARS UNDER THE CONDITIONS OF PROFIT INSURANCE. ON THIS BACKGROUND IS HIGHLIGHTED THE STRATEGY OF SUSTAINABILITY ELABORATED BY THE ENTERPRISES IN ORDER TO INCREASE THEIR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT. FURTHER ARE ANALYZED THE MAIN THEORETICAL PERSPECTIVES ON SUSTAINABILITY. IN THIS CONDITIONS THE SUSTAINABILITY OF ENTERPRISES IS WANTED TO BE DONE IN TERMS OF ECONOMIC, ENVIRONMENTAL AND SOCIAL PERFORMANCE. ACHIEVING THE ENTERPRISES SUSTAINABILITY INVOLVES THE EQUILIBRATION OF RELATIONSHIPS BETWEEN THE CURRENT ECONOMIC, ENVIRONMENTAL AND SOCIAL NEEDS IN A WAY THAT DOES NOT COMPROMISE THE FUTURE GENERATIONS.

**Keywords:** Sustainable enterprise; environmental; economic; social; strategy of sustainability; sustainable goods and services

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## 1. INTRODUCTION

According to some recent economic studies representative in the field of research it is appreciated as being an universally acknowledged truth that the sustainability promotes the conservation and regeneration of natural resources, technological development, production growth and investment orientation, in harmony with the current satisfaction of needs for all members of society, without compromising the possibilities of future generations to meet their own needs. Thus, the essence of sustainability of human society is given by the current and future management of its natural, energy, material and informational resources, in relation to the objectives of economic growth and ensuring a better quality of life and the environment. In other words the sustainability has become more and more a constant of the economic and social policies of each state, because this process was imposed by a variety of objective

circumstances.<sup>1</sup> Also, it can be said that under the objectives and general requirements, the sustainability suppose a global approach so far as: there are no economic or ideological boundaries of pollution; the question of the degree of supportability of both pollution and poverty if things keep their current trends, will be put in terms of survival, then the globalization of the actions needed to counteract such a trend will be the only solution; waste can no longer be tolerated no matter where it occurs, given that the earth is round and its environmental resources and life are limited; human degradation can not be accepted at infinity induced by one type of growth, who has converted but, above all, has perverted values that define general progress.

At the same time, sustainable development is also a mosaic reality. Thus, the national identity gives the configuration, concrete substance and contours of sustainable development policies within each national perimeter. In fact, this "specialization" in the configuration and implementation of sustainable development policies by each country, obliges the collaborating in order to solve problems with a high degree of interconditioning consolidating the common and global side of sustainable development.

## **2. AN OVERVIEW ON THE ISSUE OF ENTERPRISE SUSTAINABILITY**

Generally, it is important to emphasize that the sustainability encourages using the resource in a responsibly way. In the case of sustainable enterprises this fact implies not only that the company ensures that gains profit, but also that the operation does not create concerns that could harm the equilibrium of natural environment. Given the care about the impact of operations on communities, the company can choose those raw materials friendly environment and developing a strategy to reduce and prevent polluting waste. In the financial perspective, the three parts of sustainability can be considered as environmental capital, social capital and economic capital. Sustainability is achieved only if the company manages to get the economic efficiency, social equity and preservation of environment. Whatever the approach of its sustainability, the enterprise have to adhere to the right principles that support understanding the development and proper realization as an integral part of its overall strategy<sup>2</sup>.

On the components or dimensions of sustainability there seems to be consensus, even if there are some differences in the terms used. In the literature related to the analyzed issue, it is well appreciated that sustainability has three dimensions, which interacts permanently, as economic, environmental, and social.<sup>3</sup> The indicators and problems of sustainability give a great importance to the three interdependent pillars of sustainable development, which are based in their turn on three interrelated systems of efficiency, as it can be seen in the Figure No.1.

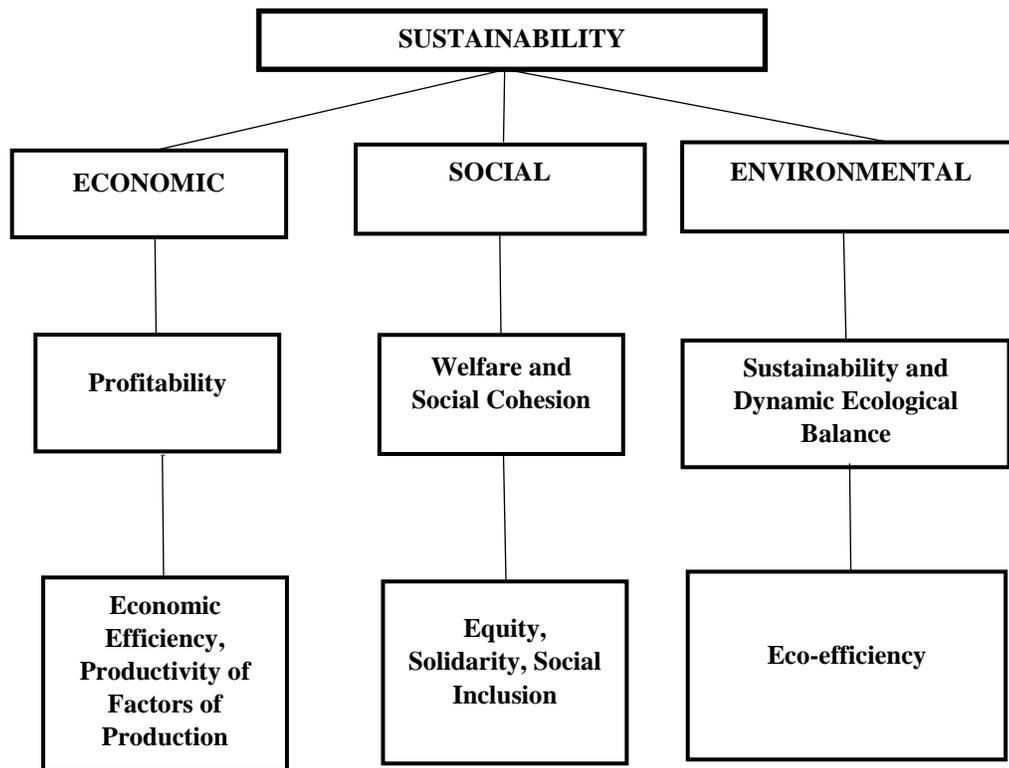
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<sup>1</sup> Dvořáková, L. Zborková, J. *Integration of Sustainable Development at Enterprise Level*, Procedia Engineering No. 69/2014, p.688

<sup>2</sup> Ikerd, J. *The Three Ecological Principles of Economic Stability*, CSRwire, February 2013

<sup>3</sup> Raderbauer, M. *Strategic Sustainability-Strategic implementation of Sustainable Business practice in Viennese Accomodation*, University of Exeter, United Kingdom, 2011, p.19-23

Figure No.1. **The main drivers of sustainability**



Source: <http://www.thwink.org/sustain/glossary/Three Pillars Of Sustainability.htm>

Thus, the economic sustainability is the capacity of economy to support a certain level of economic production on medium and long term. The economic sustainability of the enterprises means its ability to make profits in order to survive and benefit from local, national and global economic systems. The main scope of economic sustainability is to preserve the quality of life. On the other hand, to achieve such objectives requires a dramatic change in production methods, and patterns of consumption that are not yet sustainable. In order to gain an economic sustainability, it is necessary an ecological economy. This type of economy must create renewable resources if it is necessary to use non-renewable resources when renewable ones decrease and to monitor the level of emissions with negative impact on the natural environment.<sup>4</sup> The economic sustainability is fully linked to environmental and social outcomes, with regard to the protection of environment and in the social field, that the company can get them. In the last instance, the economic sustainability depends on the capacity of natural ecosystems, to obtain and store sufficient amounts of energy in order to sustain human life on Terra.

At the same time the social sustainability is the ability of a country to function at a defined level of social welfare and undetermined harmony. Social sustainability takes into account social interactions, relations, behavioral patterns and human values. In this context,

<sup>4</sup> Von Hauff, M., Kleine, A. *Nachhaltige Entwicklung. Grundlagen und Umsetzung*, Oldenbourg Wissenschaftungsverlag GmbH, Munchen, 2009, p.18-31

but at the opposite pole there are some phenomena such as the war, endemic poverty, injustice and low frequency of education that are symptomatic and socially unsustainable. Also, the environmental sustainability is the ability to sustain for an undetermined period a defined level of quality and extraction of natural resources. On the other hand, the sustainability of environment refers to the company's ability to use natural resources so that they last longer and control waste. In the same order of ideas, environmental sustainability means the ability of the company to reduce the negative impact of its actions on the environment. Therefore, it is considered that the sustainability becomes a model of development only if countries, economic sectors, enterprises and citizens become aware of the necessity to adopt and use its principles. At the end of this chapter, it is necessary to emphasize that this real and current issue of sustainability in the case of companies is the biggest one at the global level, even if its solution is not yet seen by the international community as a major priority.

### **3. AN ORIENTATIVE STRATEGY OF SUSTAINABILITY FOR ENTERPRISE**

The enterprise's ability to achieve a real sustainability depends on its adaptability to environmental and social conditions. In other words, the company must become ecocentric, aiming to focus on sustainability. The strategy of sustainability is the implication of superior management that goes beyond compliance and efficiency, to avoid the risks and minimize the costs. An efficient strategy of sustainability have to be based on solid principles.

First of all, the company's sustainability strategy has to mature progressively, and move forward from the narrow egocentric objective of market dominance, to obtain the first place in terms of size and the effective maximization of incomes to higher and more important sustainable objectives.<sup>5</sup> At the same time, if the company wants to get truly authentic and sustainable, its management must become the follower of managing both the short-term and the long-term perspective.

One of the principles of sustainability strategy consists in a true correlation with all the company's activities and environmental changes. This means that the company should have a more responsible approach, on stimulating the determinant factors, the risks and opportunities that influence the strategy of company and to find lasting solutions in order to achieve the sustainable value of company.

Another aspect refers to the necessity of company to focus on exploring a wide range of possibilities, especially new ones. Against this backdrop, companies should consider all strategic options, which enable them to capitalize on the new possibilities.<sup>6</sup> Also, among the principles of the strategy of company's sustainability, it is highlighted rediscovering the entrepreneurial spirit. The company have to realize the opportunities, to create the real benefits by transforming its business model, obtaining significant profits based on sustainable goods and services. These guidelines can be complemented by the defining features of the strategy of sustainability. So companies that respect these principles and features can develop a successful strategy of sustainability. Sustainability strategy must have a clear purpose, which

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<sup>5</sup>Azua, S. *Sustainable Strategies for the Future: Management, Innovation and Humanization*”, [www.bmasi.net/documents/file/Accessed](http://www.bmasi.net/documents/file/Accessed) on March 26, 2013

<sup>6</sup>Willard, B. *The New Sustainability Advantage*, New Society Publishers, Canada, 2012, p.8-10

means that those who develop the strategy must select environmental and social activities, that correspond to the environmental and social competencies of company and reflects its culture, values, challenges and overall strategy. Then, the firm has to engage in strategic changes both hardwiring and softwiring. This means that these changes must be made in structures, processes, with regard to performance and the systems of measurement, to support the efforts orientated towards to acquire the sustainability. Thus, all these changes need to be found in improving communication, employees and designing programmes, for leadership development, in order to encourage sustainable value creation, thinking, skills and practices in this direction. Another feature of the strategy of sustainability is co-creation. Also sustainable creation involves collaboration with outsiders by inviting them to become strategic partners in the innovation process.<sup>7</sup> The clear communication, openness and transparency on both successes and failures in relation to the persons form inside and outside of the company, to create trust and mutual understanding can be considered the fourth feature of the sustainability strategy, because this has a decisive importance for the sustainable success of company. In this pattern of analyze it is necessary that company should be interactive, if it wants to collect potential ideas and feedback from people outside. Sustainable development and the process of value creation forces companies to achieve not only technical innovations, but also in the field of environmental, social and organizational protection. The success of sustainable innovations depends strongly on the well-qualified workforce, the results of management systems, the orientation towards stakeholders and the dialogue between them along the value chain, changes in company development and job creation.

Every company that tries to become sustainable should project and use the best practrices of sustainable business, based on a a new pattern of thinking about the needs and preferences of customers. Thus, companies that act in the direction of achieving the eco-efficiency of its economic activities, aim to increase the productivity of the resources used having as support the most advanced technologies.<sup>8</sup> This necessity arises as a consequence of profound changes about how the company delivers goods and services, after extending the producer responsibility for sales of the product. They have become much more careful when designing the products because once the useful life of good is over, the latter can return to the producer. This circuit encourages the design of more durable products, which allow them to be easily disassembled, and once disassembled to be be reused or recomposed. Because the packs of these products are biodegradable or recyclable, these does not produce the toxic residues. From this perspective, what was previously considered waste and loss becomes an asset, a source of materials for new products. An eloquent example in this research direction is the action of car producers to take over the engines after their useful life has come to end. Another constant concern of the sustainable companies in order to achieve eco-efficiency consists in waste reduction. Solving this problem is about the ways to reduce financial efforts for waste management. As long as the waste is the evidence of inefficiency, all sustainable enterprises aim to "zero waste, in their effort to turn them into inputs of other operations."<sup>9</sup> In the general

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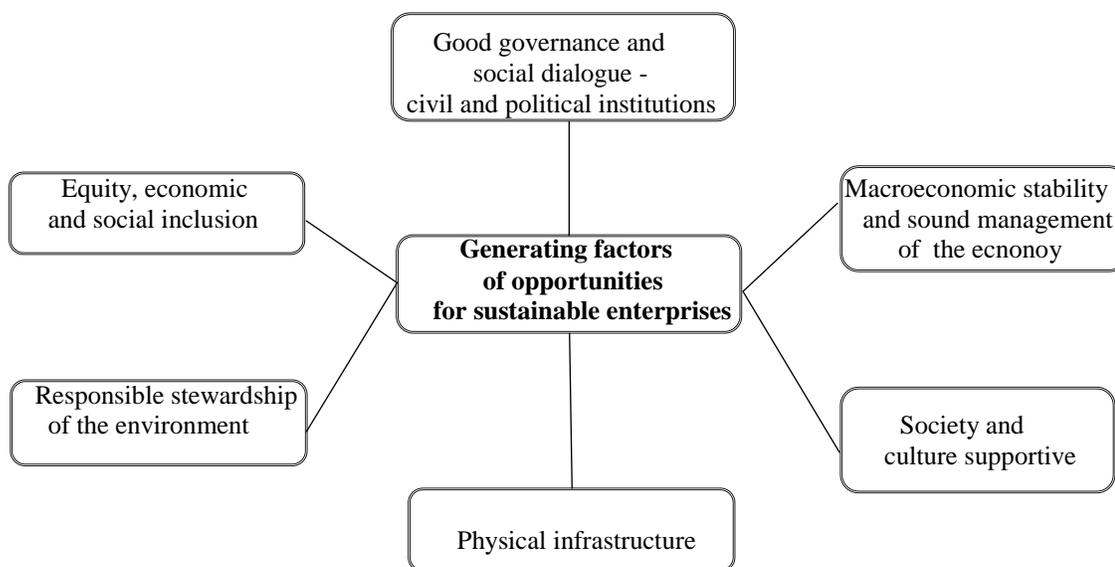
<sup>7</sup> Lemken, T., Helfert, M, Kuhndt, M., Lange, F., Merten, T. *Strategische Allianzen für nachhaltige Entwicklung. Innovationen in Unternehmen durch Kooperationen mit NPOs*, Wuppertal Institut für Klima, Umwelt, Energie GmbH, Wuppertal, May, 2010

<sup>8</sup> Nidumolu, R. *Top Sustainable Business Strategies from 2012*, InnovaStrat, Inc., Santa Cruz, Ca, January, 2013, <https://www.triplepundit.com/2013/01/top-sustainable-business-strategies-2012>

<sup>9</sup> Werbach, A. *Strategy for sustainability. A business manifesto*, Harvard Business Press, USA, 2009, p.1-16

context of sustainability, it is important to mention that for the contemporary enterprises, without taking into account their size, the general, political, social, economic and environmental context is extremely important representing the basic conditions in the process of creating the sustainable enterprises as it can be seen in Figure No 2.

Figure No 2. **Determinant factors in generating the opportunity for sustainable enterprises**



Source: [http://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/---emp\\_ent/documents/publication/wcms\\_093969.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_093969.pdf)

Also, it is obvious that peace, a legal system of trust and respect, conjugated with an adequate level of social development as well as political institutions with a high degree of predictability and stability have a decisive impact on enterprise sustainability. Although these mega-conditions provide a general framework for the acquisition of national wealth represent an understood necessity for stimulating the sustainable enterprises, nevertheless they do not achieve automatically a real prosperity in the medium and long term.<sup>10</sup>

#### 4. CONCLUSIONS

In the last time, recognizing the importance of sustainability issues has increased in the business environment. More and more companies are making efforts to overcome the specific challenges of sustainability. These companies get better performance, as they integrate more and more the sustainability into their overall strategy by implementing the programs and operations in this direction. Companies that manage properly the environment and their social

<sup>10</sup> Radomska, J. *The Concept of Sustainable Strategy Implementation*, Sustainability, No 7/2015, www.mdpi.com/journal/sustainability

performance, have better financial results and, in fact, create more value for all those interested in their results, which turns them into loyal customers. The contribution of companies to build a promising future based on sustainability, becomes reality only if the sustainability is seen as a progressive process, which implies the creation of a sustainable value chain, the design of sustainable products and services, the development of new business models and all these combined with the creation of platforms for future practices. Sustainability must remain an integrated and integral objective for the most companies and a factor of strategic success, a bridge in the development process and the ultimate goal of the innovation process. The enterprises that choose sustainable strategies and practices will be in a position to get value as a result of revenue growth with the support of new goods and services, reducing costs in terms of eco-efficiency, managing operational and derivative risks through more effective regulations. Finally, it is worth to highlight that the companies will be able to turn intangible assets such as brand, reputation and to create networks of collaboration with customers, competitors and suppliers, all these aspects accelerating the process of sustainability improvement.

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