THE CONCEPT OF A SUSTAINABLE DEVELOPMENT AS A NEW PHILOSOPHY OF THE XXIST CENTURY BUSINESS MANAGEMENT

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Abstract:
This article is devoted to the ‘The concept of a sustainable development as a new philosophy of the XXIst century business management’. The aim of the article, based on a theoretical analysis, is to present the idea of sustainable development in the practice of contemporary business functioning. The core issue of the sustainable development is shaping right proportions between the three types of capital: economic, social and environmental and at the same time providing permanent improvement of the quality of life of the contemporary and next generations. Thus the development means implementing such business strategy which fulfils the needs of the business and those interested in it as well as securing and strengthening the owned human and natural resources. The completion of this assumption requires introduction of a new management paradigm, which will be based on a concept of social responsibility of business and humanistic values in management.

Keywords: sustainable development, business management, corporate social responsibility, humanistic management

Sustainable development is a complex concept, which should be analysed both in a micro and macroeconomic scale. The factors of sustainable development are ascribed to three categories: economy, society, in which a good quality of life for the present and next generations is a crucial aim; as well as natural environment. In the cited concept development is regarded integrally in the ecological sense, cultural and economical as development which means the necessity to keep balance of both natural and technical environments, as well as spiritual balance of a human. Taking this opinion into account the article refers to the problem of sustainable development as a new philosophy of managing business in the XXIst century.

THE DIRECTION OF INTEGRATING ECONOMY, SOCIETY AND NATURAL ENVIRONMENT

The necessity to implement sustainable development was first undertaken by the United Nations Organization in the Report of the World Commission of Environment and Development in 1987, and then in the works of the World Earth Summit, which took place in Rio de Janeiro in 1992 in the shape of such documents as i.e.: Agenda 21 and Declaration concerning environment and development in which the rules of sustainable development were formed. The assumptions accepting them include: (1) ‘Human beings are in the centre of sustainable development. They have the right to healthy and creative life in harmony with nature’; (2) ‘In order to achieve sustainable development and higher quality of peoples’ life, countries will reduce or eliminate imbalanced trends of consumption and production and will promote certain demographic policies’. It should be highlighted that at the Rio de Janeiro Conference a Card of Sustainable Business was signed; it was prepared by the International

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2 It is referred to as Our Common Future (Report Brundtland)
Trade Chamber. The Countries which signed it accepted 25 rules of responsible business including 16 concerning ecological management as guidelines to run business. The next detailed rules were the rules of Social Responsibility of Business⁴ and the rules of Global Compact, which concerned: supporting and following human rights accepted by the international society, elimination of all the cases of breaking human rights by companies, respecting freedom to associate, elimination of forced labour, rejecting children’s work, effective prevention of discrimination in the sphere of employment, preventive attitude to natural environment, undertaking initiatives aiming at promoting ecological responsibility attitudes, using and spreading environmentally friendly technologies as well as acting against corruption including extortion and bribery⁵.

The next declaration, which was made as a result of World Earth Summit in Johannesburg in 2002, highlighted: the right of people to dignity; it was also pointed out that sustainable development consist of three pillars: economic development, social development and environment protection; the rules of common countries’ responsibility for the faith of the world in the context of inter-generation responsibility. The main aims and conditions of the sustainable development were considered: rejection of poverty, change of consumption and production patterns and the protection and management of natural resources in the socio-economic development processes⁶.

It is worth signalling that in June 2012 there was the Earth Summit called Rio 20+. Its main aim was to set new priorities that are consistent with world challenges’ such as economic, social and ecological including i.e.: the list of Sustainable Development Aims, which was based on the Millennium Development Aims – these were to be referred to by certain indicators reached by the year 2030⁷.

In the widest meaning ‘sustainable development’ should be thus understood as a philosophy of socio-economic development harmonized with respecting the nature. It is a ‘philosophy’ in a casual meaning of this word, and not a specific philosophical system⁸, as the scientist acknowledged with this issue point out that sustainable development consists of many ontological, anropological, axiological and historical beliefs. These in a different way make issues necessary to understand it more concrete such as: the attitude to the relationship human and nature, understanding human’s place in the world, the way human beings and human societies are understood, the border between the inner and intergeneration honesty, and the necessity of the permanency of development. Thus philosophy of sustainable development should be differentiated from: philosophy of sustaining the growth (formerly: a casual paradigm of ‘protection and shaping the environment); philosophy of social sustainability (formerly: a concept focused on the care for ‘quality of life’) as well as Eco development philosophy (formerly: the project of systemic change)⁹. The analysis undertaken by the author of this article are included in the social sustainability philosophy and the base of its axiology there are four assumptions connected with: (1) understanding the world of nature, the place of people in it as well as societies, relationships and interactions with nature; (2) accepted understanding of a human and social world created by him; (3) acknowledged by people life values and aims as well as accepted ideals and social visions; (4) understanding and

evaluating technology and its role in shaping the relationship of human (society) with nature.

The main point for reflection upon the sustainable development in this article is economical values associated with all the elements and forms of economic activity and running a business which in a long-term perspective favour the continuity and permanency of the civilization development according to possibilities, i.e.: productivity, efficiency of ecosystems and biosphere, allowing regeneration of its resources and moreover creating conditions for self-fulfilment of humans favouring the shift of their life orientations from ‘have’ to ‘be’ or ‘be even more’ in the spiritual aspect.

In the context of the above the first thesis can be formed: working environment is connected both with economy, society as well as nature, is undoubtedly a very important issue of fulfilling the concept of sustainable development. Using the synergy of three aspects: economic, social and ecological it shapes and creates the conditions for existence and functioning of all the contemporary businesses. In the system of strategic aims as directory aims not only economic, but also social and ecological should be considered. The measurement of their realization is the base for evaluation of accepting the assumptions off sustainable development at a level of certain work. For the entrepreneurs it means necessity to act in such a way as to be socially responsible and accepting assumption that they have moral responsibility to the society, a type of a social role to complete. The acceptance of such philosophy of thinking is visible in i.e.:

- Considering profits as one of the business’s main aims which should include also the necessity of the business to survive and offer the continuity of employment to its employees;
- Undertaking long-term strategic and investment decisions; by balancing more the economic and social priorities;
- Tightening the cooperation between partners; i.e.; shareholders, employees, managers, clients, those providing loans, suppliers and the whole society, as the cooperation enables reaching aims in an optimal way;
- Environment values seen as a condition for all the entrepreneurship activity.

For the effective and efficient fulfilment of these goals some standards have to be made precise; standards concerning economic, social and ecological norms, in which business run their activities, the examples of such norms are given in the table below.

**Figure 1. Norms and their goals in the sustainable development of a company**

<table>
<thead>
<tr>
<th>Norm type</th>
<th>The major aim</th>
<th>Benefits</th>
</tr>
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<tbody>
<tr>
<td>Economic</td>
<td>The growth of efficiency, having security f business, security for receivers</td>
<td>Balance in the surrounding environment, Growth of reputation, The growth of receivers welfare</td>
</tr>
<tr>
<td>Social</td>
<td>Receivers gladness,</td>
<td>The growth of need for products, the</td>
</tr>
</tbody>
</table>


It should be highlighted that these are not only standards concerning economy, social and ecological norms but first of all resources existing in companies that are the factors of their success and at the same time the whole economy, thus these are often called *competitiveness potential*. The potential of competiveness involves also some reassessment of the importance and meaning of the resources that are the components of contemporary work places. It is spotted that with the socio-economic development there is a relative decrease of the meaning of so called ‘hard’ resources (assets) for the benefit of the growth of meaning of so called ‘soft’ resources (competencies, norms, cultural values, relations, systems and attitudes). The latter ones are the result of intellectual activities, creative activities, of the creative human resources (employees) involved in the businesses.

Referring the cited *category of human capital* to the assumptions of the analysed concept it can be noticed that present civilization conditions generate its sectors in relations to the three pillars of the sustainable development. This capital is often reduced to the productive factor only, which can be seen in such dynamic processes and phenomena that occur in the social sphere i.e.:

- Proprietary situation and the position on the job market which are major determiners of the social status,
- Huge segments of population undergo process of proletarianization and pauperization; there is a change into workforce of no property, on the other pole the capitalistic powerful groups of owners get richer due to converting and reinvestment of profits and these make social inequalities more visible,
- The sphere of work is visibly wider and becomes separated from everyday life,
- The dominating in everyday life focus on buying and consumption takes not only utilitarian function, but also a symbolic one.

The perception of a person-worker only through the economic sphere depreciates its human nature and downgrades it into the function of resources. A human being, similarly to nature, is not only a resource allowing the growth of economic capital but is a capital in itself. That is why the process of development, including sustainable development should not be restricted to economic capital only and materially understood welfare. Currently the economic capital seems to be more and more enlarged at the cost of people and nature by making some forms of exploitation real. On the other hand economic capital eliminates a person from the process of

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manufacturing making him a ‘waste’ in the form of mass unemployment. Such solutions seem to be far from, and even in opposition to, the idea of integrating the main pillars of sustainable development: economic, social and environment protection, as well as implementing the process of their evolution and progress17.

The strand of this analysis involves the problem of perceiving the place and role of employees in the contemporary businesses. Degrading people to manufacturing factor, which offers its work without a possibility of self-realization and the feeling of partnership in action, in an inevitable way, will generate discontent and intellectual passiveness, depriving the business is of innovative benefits resulting from the capital owned by employees18.

In the context of the presented reflections it seems right to form next following thesis: good practices in the scope of sustainable development should remain directed at employees mainly, as they create the most important resource of an organization, and in consequence of this statement: it is necessary for the businesses to adapt a new management paradigm.

TOWARDS NEW MANAGEMENT PARADIGM

In reference to the assumptions formed in the first part of this article it has to be signalled that the answer of workplaces to the challenges resulting from the sustainable development is among others: CSR concept i.e. Corporate Social Responsibility meaning social responsibility of business and in the fullest meaning it is the sustainable development. Social responsibility is a set of obligations of an organizations referring to security and strengthening of the social context, in which they function. Organizations may also show social responsibility towards their: shareholders, or stakeholders (creditors, clients, local society, suppliers, employees, interest groups, trade associations, owners and investors, courts, schools and universities, governments, local governments); natural environment; as well as general social welfare19.

The main aim of this idea is searching for a synergy between the three areas of business functioning: economic, social and environmental. It can be referred to as the rule of ‘3P’ i.e: ‘People – Planet – Profit’. Social responsibility also means such actions that the company undertakes which are not required from the point of view of following legal norms or are indirectly connected with its present operational activity. There is no such formal obligation to e.g. taking into account needs of local community or care more about the clients. The concept however with time becomes a certain custom or even a cultural norm. Organizations which aspire to be socially responsible should try to manage in a complex way in the following areas: organizational order, human rights, and relationships with employees, honest market practices, relations with clients, social involvement and development. Within these the companies use numerous good practices: announce policies regarding sustainable development, prepare and implement internal ethical codes, take part in business initiatives, report actions concerning the mentioned fields or undergo audits i.e.: independent verification and certification in those fields. Businesses focusing on the sustainable development proactively manage relationships with all crucial social groups (stakeholders) which are influenced by the run activity and which may influence the company. It can be stated that the novelty of this management means that it brings order in many of the subjects of the mentioned areas and imposes a direct company’s responsibility for complying with high ethical standards. At the same time more and more often an opinion can be met that it refers not only to companies, though it is firstly addressed to

17 F. Piontek, B. Piontek, Kategoria kapitału w warunkach..., op. cit., p. 68 and subsequent.
them, but also other subjects (social organizations or public administration units), according to the assumption that all the organizations are partly responsible for the fulfilment of the sustainable development rule 20.

Expressing view concerning the thesis referring to the need to rely on humanistic values in management it should be pointed out that it is a concept in which meaningful are mainly: freedom of acting, autonomy and entrepreneurship, development (changes), auto creation, assertiveness, altruism, mutuality, care for public matters. The most meaningful is human at work and out of work so it sensibly joins the criteria of economic effectiveness with the rules of shaping conditions in which individuals in favourable scope may fulfil and improve their potential possibilities. Humanity of the management values is evinced mainly in the fact that managers care about their employees; try to accept different suggestions offered by them; share information so that everyone knows how the organization is functioning, what is its situation on the market; guarantee focus in shared fulfilment of the aims and inspire and motivate to search for efficient ways of serving the marker and society in which the company exists 21.

It results from these assumptions that employees should be treated as a valuable asset which can be multiplied and that shared employees’ and employers’ interests are important for the success of a business. Managers should thus leave the traditional management based on the ‘3C’ formula i.e.: commend, control, and correction for the benefit of: requirements, support and binding activities in a form of a feedback. Accepting such direction of management means introduction of an integrative management style in which the employee feels more like a partner than a subordinate and in which giving orders is replaced by leadership understood as a management process in which manager’s (leader’s) personal traits lead to accepting his leadership by the members of the team; this leadership results from manager’s competencies and responsibility. In this style of management the supervisor shares the power and delegates privileges, creates the atmosphere for discussion, presenting and considering different ideas, encourages invention and encourages co-workers to introduce improvements and searches for optimal decisions. A certain attention is paid to effective motivation, promotion and harmonious cooperation. The managers try to make the employees closer to him and tie their interest with the interests of the company, awards in a fair way, informs honestly, and their work and life are provided with value and dignity 22.

The mentioned ideas concerning both social responsibility of the business and humanistic management are involved in the new paradigm of management shaped under the influence of the developing economy model based on knowledge. This paradigm may be referred to as ‘7F’; its basic assumptions are given in the figure below.

**Figure 2. New ‘7F’ paradigm in business management**

<table>
<thead>
<tr>
<th><strong>FOCUS</strong></th>
<th>Own by the business a concept of business and managing it in an efficient way; focusing on aim and company’s functions fulfillment, due to the use of outstanding abilities (competencies); focusing on the market demand</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FIRST</strong></td>
<td>Being first in changes and answers to the challenges of the surrounding world; using simultaneous marketing, fast introduction of innovations and its verification on the market</td>
</tr>
<tr>
<td><strong>FAST</strong></td>
<td>Fast use of structures, procedures, people and relationships with</td>
</tr>
</tbody>
</table>

| being fast, clever | the environment; fast introduction of changes by using all sources of innovative ideas; learning fast and investing in education; popularization of the best practices; searching for possibilities to anticipate the expectations of clients |
| FLEXIBILITY flexibility to adjust | Flexible thinking and acting, flexible adjustment of company’s aims to the needs of the changing surroundings; organizing actions focusing on the strong sides, outsourcing, adhocracy, creating flexibility as an organizational value |
| FRIENDLY Actions friendly for people and environment | Creating an organization which serves the environment, socially responsible, treating profits as one if the business aims and not its rationale of existence; caring for the environment and help solving problems of the local community; introducing internal negotiations; privileges; people’s attitude, protection of their work places; raising the quality of their life at work; acknowledging that workers should benefit from the company’s success |
| FAIRNESS honesty and nobility in acting | Honest, just conduct towards employees, business partners, stakeholders and competition; building an image of a company that is respected and can be trusted, with a huge reputation capital and authentic identity; aiming at beating competitions by the advantage of the clients |
| FEASIBILITY possibility to perform tasks, ability to conduct operations | Building programmes and strategies together with employees and such that are possible to complete, establishing mission and vision; working our shared development concepts; ensuring employees with taking part in taking decisions; creating permanent partner relationships and stimulating the involvement in the undertaken activities; creating a system optimizing the team’s and organization achievements |


The signalled direction of managing contemporary businesses based on the sustainable development philosophy has no long history or tradition. Only in the last years together with the appearance of new problems and economic challenges the interest in the theory and practice of this management type grew in meaning. It did not however, take the place of the dominating attitude pointing at the need of maximizing profits and wealth of the company. This obsessive rush for ‘profits at all cost’ leads to many extremes including: centralization of the least important financial decisions, and restricting resources for innovations and investing in people. Some tendencies to change this attitude are however visible in the management sphere. It is seen in creating ‘strategic partnership’, implementation of ‘human corporation management’ and ‘development of social capital’. Main aim of an organization is also redefined. They are: creating global value, value for the owner, people working for an organization, business partners, clients, country, society and other stakeholders.23

It also seems that the presented paradigm is explained by the socio-economic development plan of the European union – Strategy „Europe 2020” which includes three connected priorities:

- intelligent development: development of economy based on knowledge and innovations;
- sustainable development: promoting economy effective using resources, environmentally friendly and more competitive;

23 B. Mikula, A. Pietruszka-Ortył, A. Potocki (red.), *Podstawy zarządzania przedsiębiorstwami w gospodarce opartej na wiedzy*, Difin, sp. z o.o., Warszawa 2007, p. 28.
development favouring social inclusion: Promoting economy of a high level of employment, providing social and territorial integrity.²⁴

The development of a new management philosophy of XXIst century businesses seems to be crucial and necessary, even more that the tendencies connected with the concept of sustainable development highlight the necessity to implement in the economic activity apart form economic dimension, also social and environmental factors in order to fulfil the needs of the present and future generations.

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