

SUSTAINABLE DEVELOPMENT OF MANUFACTURING ORGANIZATIONS BASED ON IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITY

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Corporate social responsibility and sustainability development. The modernization of business relationships and the globalization of business make companies embrace change and adapt to new market conditions. How these conditions may depend on various factors regarding the corporate social responsibility behavior of organizations establishing a sustainable development system with the application of corporate social responsibility practices can ensure a more successful and sustainable business. As Mirvis [1, p. 44-45] states, the approach to developing sustainability and implementing corporate social responsibility represents a change that involves the entire business environment and entails a complete change in the profile of responsibility of an organization. Responsibility for the development of socially responsible behavior and a socially responsible climate within a single system rests with all participants. On this basis, it is clear that the establishment of sustainable development based on the application of corporate social responsibility depends on the level of adoption of socially responsible behavior by all actors within that system.

This paper focuses on the application of corporate social responsibility practices and the establishment of sustainable development within manufacturing organizations. The concept of corporate social responsibility, in this sense, implies an organizational interest in the interests of society while taking responsibility for the influence of the business activities outcome [2]. It can be said that the socially responsible activities implemented by the organization reflect on the environment in which it operates. These activities are not only aimed at preserving the environment, which can be jeopardized by production processes, but also at the well-being of the community, and also include behavior towards employees, consumers and suppliers [3]. Managerial actions of modern organizations, in accordance with the adoption of the principles of corporate social responsibility, can be mandatory and voluntary. It is up to the organizations to choose how they will manifest their social responsibility [4]. It should not be overlooked that socially responsible practices of organizations have an equal impact on the internal organizational as well as on the external environment.

Corporate social responsibility is a stakeholder-oriented concept. Organizations are thought to exist within a stakeholder network and face demands, which in some cases may be conflicting. These organizations' efforts to translate recognized requirements into corporate social responsibility goals and policies are activities towards establishing a system of corporate social responsibility. Effective corporate social responsibility requires the development of appropriate corporate social responsibility strategies aimed at improving the relationship between stakeholders and social well-being [5]. Corporate social responsibility is about building a public image of the organization in the eyes of all stakeholders. In order to build a positive public image based on the application of corporate social responsibility practice, an organization should adhere to activities that are in line with the ten basic dimensions of corporate social responsibility. Therefore, it should embrace its commitment to society, support stakeholder involvement, work to improve quality of life, focus on economic development, conduct ethical business practices, comply with the law, participate voluntarily in various socially responsible activities, respect human rights, promotes and actively participates in environmental protection and conducts its business transparently and responsibly [6]. Through these activities, organizations are working to strengthen their economic, legal, ethical and philanthropic dimensions of business. Accordingly, it can be concluded that corporate social responsibility can play a key role in developing the sustainability of organizations. In order to actually reach its potential, the top management of an organization must recognize the value and benefits derived from its implementation.

Sustainable development is emerging as one of the benefits of implementing corporate social responsibility in an organization [7]. It is based on meeting the needs of the present without restricting future generations in meeting their needs [8]. It is a complex and challenging undertaking to establish it. Within this endeavor, factors such as technology, economics, management and environmental protection, the health and well-being of the people and community in which they live and work, the needs of society and the strategies, procedures and policies of the government are involved. In order for a production organization to develop production sustainability, it is necessary to align its activities with a number of economic, social and environmental goals and balance them [9]. The active involvement of top management is also significant in

balancing these goals. The key to achieving sustainable development in manufacturing organizations lies in satisfying consumers by delivering quality products, reducing costs, shortening delivery times and properly sharing information [10, p. 125]. Sustainability involves the simultaneous pursuit of economic efficiency, environmental responsibility and social cohesion [11]. Therefore, the dimensions of sustainable development can be illustrated as in Figure 1.

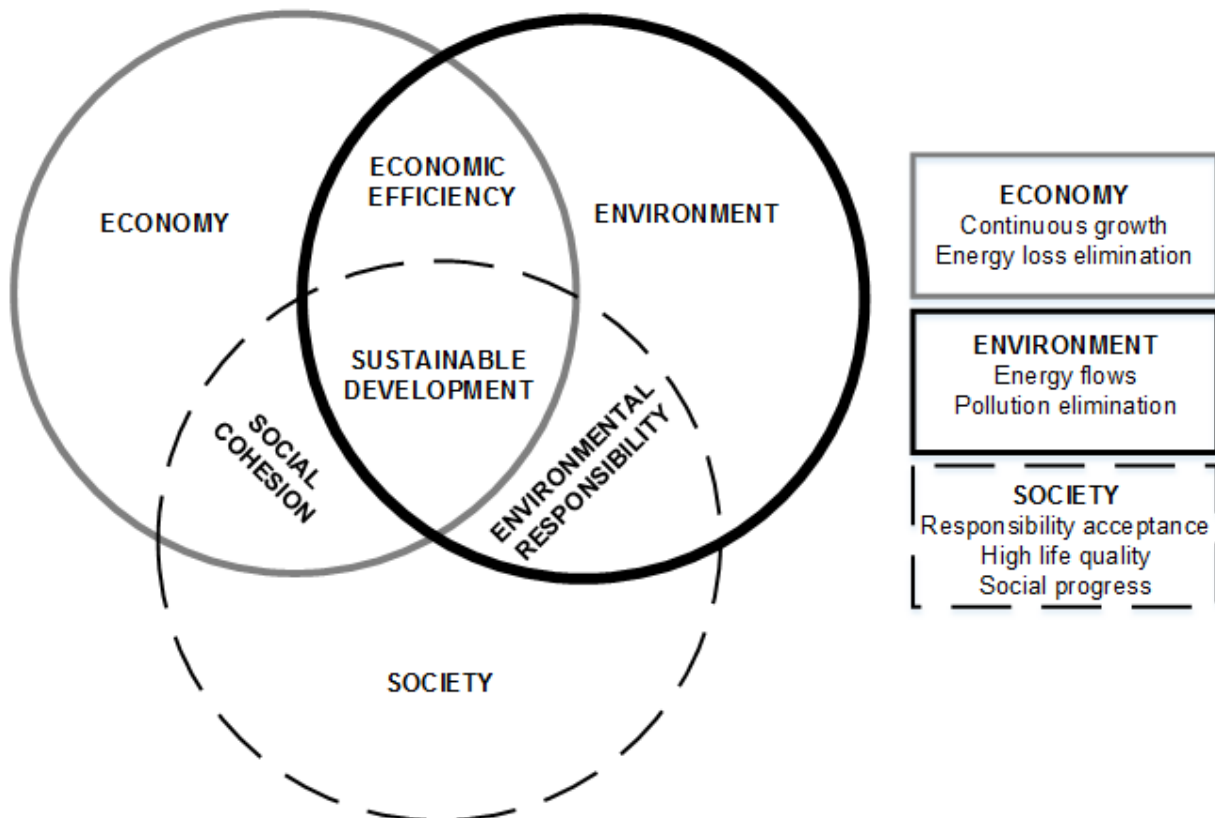


Fig. 1. Dimensions of sustainable development [11]

Top management commitment to the corporate social responsibility practice for the purpose of enhancing sustainable development in manufacturing organizations. In order for a successful business practice, such as corporate social responsibility practice, to be successfully implemented and to ensure sustainable development based on its successful implementation, it is necessary for top management to understand and support the initiative for its implementation. To be dedicated to this initiative and to be actively involved in all business activities carried out in this field. Top management's commitment to socially responsible business is an important element that encourages the spread of socially responsible behavior and the creation of a socially responsible climate within the organization [12]. It can be said that changing patterns of thinking and behavior within a production-business system encourages developmental change. In this way, relationships within the organization are strengthened, and they become more stable and ready for new ventures. In addition, it builds its image of a socially responsible citizen and attracts more quality and competent workers, who in that case are proud to be part of such a manufacturing organization.

Top management who is actively involved and committed should focus their attention on factors such as technology, economics, environmental management, health and well-being of the people within the community in which they live and work, the need of society and government strategies, procedures and policies. It should monitor the success and impact of each factor to ensure business sustainability. Manufacturing organizations of different industries must adapt the corporate social responsibility practice to their own way of doing business and the effect that their business has on the external and internal environment. Regardless of what CSR activities they choose to implement in their business, their implementation is certainly significant. And apart from implementation, reporting on them is significant. CSR reports of organizations should include basic information about them, their data, a vision for sustainability, goals for achieving sustainability, and a list of organizational performance indicators [13]. Dedicated top management provides support for the creation of a credible corporate social responsibility report [14].

Conclusions. Due to their production activities, production organizations that have an impact on the environment and society as a whole have a moral obligation to implement CSR activities. Sustainable development is closely related to the application of corporate social responsibility practices. Top management of manufacturing organizations must develop an awareness of corporate social responsibility, and also have a responsibility to establish an organizational culture based on the concept of corporate social responsibility.

This set of findings represents a series of topics that need to be explored more deeply in the business environment of manufacturing organizations. The link between sustainable development and corporate social responsibility can be identified by analyzing the factors and objectives of applying the concepts. Already listed factors that influence the enterprise to establish sustainable development concerning technology, economics, environmental management, health and well-being of the people and community in which they live and work, the needs of society and the government's strategies, procedures and policies should be adopted in further research to quantitatively analyze. By analyzing the factors that contribute to the establishment of corporate social responsibility practices and sustainable development, important conclusions can be drawn about the nature of the connection between these two concepts in a manufacturing environment. In doing so, to reach conclusions on possible directions of influence.

In addition to research into the relationship between corporate social responsibility and sustainable development, the role of top management, as well as the impact of top management commitment on success in undertaking the establishment of sustainable development of manufacturing organizations, should be taken into account based on the implementation of socially responsible activities.

Further research will be devoted to evaluating the relationship between prominent elements and the relationship of their interactions, as well as the strength of the impact in the production environment.

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