STANDARDS OF SOCIALLY RESPONSIBLE MANAGEMENT – IMPACT ON SUSTAINABLE DEVELOPMENT OF THE ORGANIZATION, THE SOCIAL AND NATURAL ENVIRONMENT

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The purpose of this paper is to outline the results of a study on the importance of the introduction/implementation of standards of socially responsible management and their impact on the business performance of organizations as well as to confirm the correlations with the sustainable development of the broader social and natural environment. The research included a population of medium-sized and large organizations (over 50 employees) in the fields of marketing services in the Republic of Slovenia. Research results confirmed a direct link of understanding the management standards in organizations with a larger number of employees and the achieved higher income from operations. Research participants are familiar with the requirements of the Quality Management System Standard ISO 9001 and the Environmental Management System Standard ISO 14001, which is particularly significant for older business executives with many years of work experience in the company they run. The hypothesis that the implementation of the principles of social responsibility has a positive impact on sustainable development and the financial indicators of the organization – higher profits, business growth, productivity and cost-effectiveness in operations - has been confirmed.

Keywords: social responsibility; business success; management standards.

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1. INTRODUCTION

Each standard is a good international practice, which is as a rule comprehensively and systematically applied by organizations that are considered more successful and more responsible within the context of the social environment and as such demand more respect. The already established standard of socially responsible management provides for a more efficient management of business processes of organizations in terms of meeting the requirements and expectations of customers, as well as every other affected part within a social environment. Because of this, the integration of current management standards which apply to an organization may serve as a one-of-a-kind opportunity to expedite the fulfillment of an organization's mission as well as its aims and objectives (Alič and Rusjan, 2010; Bukovec and Markič, 2008; Rusjan and Castka, 2010).

Furthermore, socially responsible operations of an organization may prove to be socially beneficial and are also simultaneously the basis for a long-term development and growth of an organization, as well as the extended social and natural environment. The paradigm of social responsibility is becoming the focal topic of the global social environment with the responsible and ethical operations of organizations and behaviour of individuals (Avolio and Gardner, 2005). For an organization to achieve business success within a social and natural environment, there is an emphasis on the continuous adjustment in accordance with the demands of the market (Amabile and Kramer, 2007; McAlister, Ferrell and Ferrell, 2005), new technological discoveries and promotion of creativity, innovations and sustainable development. The continuous development of the requirements and expectations of customers, as well as the demands from employees in such organizations to continuously adapt to the situation within the social and natural environment call for increasingly more innovative approaches in the development of operations and generating added value for every participant (Jeston and Nelis, 2008; Kaplan and Norton, 2006; Markič et al., 2012).

Due to the present economic situation, the European Union has pointed out that socially responsible operations of an organization are not considered merely a single or self-sufficient incentive aimed at modifying the business environment. Instead, they are considered the most appropriate tool to resolve the critical social and economic issues within the society (Ženko, Hrast and Mulej, 2013). The principles and assumptions of socially responsible operations are defined in ISO 26000 as the guidelines on social responsibility associated with management principles of the European excellence model. Since each

business activity is undertaken by suitably qualified and motivated employees, this is particularly important for the effective provision of market services. That is why, in the long run, mutual trust, personal and professional respect as well as ethically and morally indisputable operations of an organization and its employees are considered to be the basis for the positive performance of an organization, the co-dependent development of the social environment and the preservation of the natural environment (Bavec, 2012; Celinšek and Markič, 2008; Windsor, 2006).

In well-developed economies, services constitute the largest and fastest growing economic sector in terms of employment, social capital and added value, which is why the competitiveness of the services sectors is the key determinant of growth and well-being of modern organizations. What is more, services connected directly to products also play an important role in ensuring the competitiveness of the industry sector. The increasing job potential in the services sector began to shift in the early 20th century when 25 OECD member states employed half of all the workers in the agriculture sector and a quarter in the industry and services sectors each. Already by 1950, the share of individuals employed in the agriculture sector dropped to 28%, industry employment rose to 34%, while the biggest increase in employment was noted in the services sector, recorded at 38%. Even greater changes in employee structure occurred after 1970, when the share of people in agriculture plummeted to a mere 13% while the percentage of individuals employed in the services sector further increased to 49%.

According to Eurostat 2012, the share of employees in the services sector in Slovenia totals 67.26% while the average in the European Union member states amounts to a mind-blowing 76.98%. This value is the highest in the most developed EU member states, e.g. Great Britain with 87.58% (Eurostat, 2012). Particularly important and influential in the generation of social capital on a global economic level is the "market services" sector as defined in the Panorama of European Business Statistics. In terms of the total generated capital, the share of employees engaging in market services in the European Union member states for 2011 equals 48.09%, whereas in Slovenia it is 43.45% (Eurostat, 2012).

Sustainable development is a multi-dimensional concept that connects the natural environment and development on a local, national and international level. It rests on the belief that the progress of humanity should be in line with basic human needs and ecological guidelines in the natural environment. However, the sustainability paradigm dictates completely different development

guidelines, i.e. the ones that allow us to meet the needs of current generations without limiting the possibilities of future generations, whereas their needs need to be met at least equally successfully. The sustainable development thus includes three dimensions – economic, social and environmental, which are interdependent (Ećimović and Haw, 2012). In its Green Paper, the European Commission defines that social responsibility is a concept with the help of which the organizations on a voluntary basis integrate the economic, social and environmental issues into their business operations and their relationships with the participants (Green Paper, 2010).

The purpose of this paper is to study and confirm the importance of implementing the standards of socially responsible management for business performance of medium-sized and large organizations in the field of market services in the Republic of Slovenia. The hypothesis, that respecting the principles of social responsibility, which are defined in the guidelines of ISO 26000, has a positive impact on the financial indicators of the organization's operations and on the sustainable development of the broader social environment as well as the protection of the natural environment, has been confirmed. The choice to implement and integrate the selected standards, however, depends on the actual activity of the organization and recognition of the positive impact on the organization by the senior management, who defines the vision and operation goals of the organization with their knowledge, experience and accountability.

2. THEORETICAL BACKGROUND

Successful and respected organizations are the driving forces behind the development of systems, models and standards of socially responsible management in the sense of a comprehensive improvement of the competitiveness of operations as well as successful development at a national level. EFQM, the European excellence model, therefore serves as an example of systematic improvement of an organization's performance based on the integration of management standards and models. The correlation between the integration of standards on socially responsible management and business performance of an organization is substantiated by various theoretical discussions and actual studies performed worldwide and in Slovenia as well (Kern Pipan and Leon, 2010). Bakker states that 127 empirical studies were examined in 2003 and the majority of them confirmed the positive correlation of individual key constituents of the social responsibility and business performance of an organization (Bakker, 2008). In 2010, Rusjan and Castka carried out a study on the purpose and benefits of the ISO 9001 quality

management system in enhancing the efficiency of business processes as well as other competitive advantages of an organization (Rusjan and Castka, 2010). Munoz-Torres in their study confirmed the beneficial impacts of the integration of standards of socially responsible management on the improvement of business results, easier meeting of requirements and expectations of all the stakeholders of a company as well as the improvement of environmental impacts within an extended social environment by as much as 99% of small and medium enterprises in Spain (Munoz-Torres et al., 2012).

In his research, Lozano (2008) defined several conventional economic and integration approaches towards sustainable development, and linked them to the protection of the natural environment. In the last decade, the concept of the "Triple bottom line" was developed, which emphasizes the maximization of profit only if the best possible impacts on society and the natural environment are achieved simultaneously. Social welfare and a preserved natural environment thus have a long-term positive impact on the financial and non-financial success of a business organization (Henriques, 2004; Potočan and Mulej, 2007). The new development design, called "Cradle to Cradle Design" or C2C, demonstrates the method of product development that focuses on the complete recycling of materials from which the product is made in a way that ensures the quality of raw materials without waste (Kranjac, 2011).

Other international studies on the importance of the socially responsible management system and its influence on the business success of organizations, which also included large enterprises based in the Republic of Slovenia, were also completed (KPMG, 2011). Initially, the results revealed poor understanding and generally inappropriate reporting on the principal importance and on the observance of the principles of social responsibility already present in the business sector. Furthermore, socially responsible operations were recognized by an organization merely to a minimal extent in the sense of sponsorship of or donations to non-governmental organizations and associations; the situation with the importance of environmental management was similar while the understanding of management systems, sustainable development, excellence and the improvement of business results was even poorer. In recent studies, the importance of socially responsible operations has increased substantially, directly influencing the improvement of the performance of organizations and the sustainable development of the social and natural environment.

The study including 71 large organizations in Slovenia also confirmed the opportunities and benefits of sustainable reporting of socially responsible

organizations for the performance as well as the influence of the integration of ISO 14001 on the improvement of environmental impacts in a social environment (Fink Babič and Biloslavo, 2012). This could also be the key to the economic development and growth of the entire company, especially during the economic depression. For the development and performance of an organization in the long run, innovations and the re-engineering of business processes are required, including the appropriate motivation of employees, the continuous improvement of the skills of managers as well as of employees in order to produce a greater added value required for the improved performance of an organization (Visagie, Linde and Havenga, 2011). The performance of an organization is considered to be the grounds for the long-term development and well-being of individuals with regard to the maintenance of the social environment, and the protection of the natural environment.

The following hypotheses were formulated for the purpose of the study:

- H1: The level of introduction of management standards and a model of excellence among the executive management is statistically significant for large organizations, depending on the number of employees and a higher income from operations.
- H2: The implementation of the principles of social responsibility under ISO 26000 has a positive impact on sustainable development as well as on the financial indicators of an organization's operations.

3. METHODOLOGY

The methodology employed in the study was primarily quantitative, as described by Easterby-Smith, Thorpe and Jackson (2008). For the purpose of this research, a new questionnaire was developed and included 11 sets of multiple-choice questions, where participants selected appropriate statements measured by a five-level Likert scale, enabling the comparison and processing of data using statistical analysis software. The questionnaire is based on research instruments from already completed studies, including the Horus Slovenia Award for Social Responsibility (Ženko, Hrast and Mulej, 2013), the influence of continuous improvements and human capital on business excellence of an organization (Kern Pipan, Gomišček and Kljajić, 2014), as well as the impact of the quality management system on business performance (Alič and Rusjan, 2010; Piskar and Dolinšek, 2006). For the purpose of measuring performance, additional financial indexes, i.e. the productivity and cost-effectiveness of operations, were calculated from the data collected from

completed questionnaires (sales realization, profit, growth in business, number of employees). Online or "FluidSurveys.si" questionnaires were communicated to representatives of the executive management of the selected population of organizations included in the study.

The purpose of the questionnaire was to outline and evaluate the understanding and actual implementation of selected socially responsible management standards and models, as well as their impact on business performance. All the collected primary data were analyzed statistically by means of appropriate descriptive and inferential statistics. That way, the statistical characteristics of data were evaluated by means of a single-sample t-test in the majority of cases, while the Spearman's rank correlation coefficient was used to examine the correlation between the understanding of selected management standards and the business performance of an organization. The independent-samples non-parametric test (Kruskal-Wallis test) was used to establish the existence of differences between the selected factors. Eleven variables were constituted according to the sets of questions and index reliability was calculated using Cronbach's alpha for each variable separately.

4. EMIRICAL DATA AND ANALYSIS

The population of organizations for the research was selected in the fields of marketing services and according to the size of the organization per number of employees - medium-sized organizations (over 50 employees) and large organizations (over 250 employees). These are the organizations which also play an important role in creating social product and the sustainable development of the social and natural environments. According to the Agency of the Republic of Slovenia for Public Legal Records and Related Services, 759 organizations in total were registered in the Republic of Slovenia. According to the Standard Classification of Activities 2008, marked "D" through "N", that value consists of 653 medium and 124 large organizations from the market services sector as of 31 March 2012. By means of such a selection of the population of organizations, the role and importance of factors of socially responsible management standards integration on the performance of an organization was confirmed more transparently. During the intervening period in September 2012, the questionnaire was communicated to all 759 registered organizations engaging in market services in Slovenia. As a rule, it was addressed to the executive manager (management board members or directors), who are also considered the most responsible for the performance of the managed organization.

5. RESULTS

Does not wish to provide an answer

The questionnaire was filled in in its entirety by 136 persons engaging in every included market service in the Republic of Slovenia. The most, i.e. 19 management representatives, engaged in retail, banking and insurance as well as various other commercial activities (14% of all study participants), 14 participants in the study (10.3%) engaged in transport and retail as well as scientific and technical activities, while 3 persons participating in the study (2.2%) dealt with real estate. The structure of the participating organizations in per cent by sectors is indicated in Table 1.

| SECTOR | N | % |
|---|----|------|
| Electricity, gas and steam supply (D) | 11 | 8.1 |
| Water supply, waste water management (E) | 11 | 8.1 |
| Civil engineering (F) | 11 | 8.1 |
| Retail (G) | 19 | 14.0 |
| Transport and storage (H) | 14 | 10.3 |
| Catering (I) | 9 | 6.6 |
| Information and communication services (J) | 5 | 3.7 |
| Financial and insurance activities (K) | 19 | 14.0 |
| Real estate (L) | 3 | 2.2 |
| Professional, scientific and technical activities (M) | 14 | 10.3 |
| Other various business activities (N) | 19 | 14.0 |

Table 1. Number and share of participants in the study by sectors

A total of 62 organizations (45.6%) in the study were primarily owned by domestic private owners while 44 participating domestic organizations (32.4%) were in the majority ownership by the state, whereas 12 organizations (8.8%) had a primarily foreign ownership structure. As many as 92 study participants (67.7%) were representatives of top management. 82 participants (60.3%) were male and in as many as 94 instances (69.1%), participants in the study held at least a university degree, a Master's degree or a PhD. Their average age was 44, while they had an average of 14 years of service in the organization that they managed and were employed by. The total number of participating organizations was 136, out of 759, to whom the invitations had been sent out, constituting 17.9% of the selected population and, thus, appropriate to ensure the adequacy of the statistical analysis of the data collected throughout the study.

0.7

100

136

Total

In accordance with the rules of descriptive statistics, certain standards and models on socially responsible management, that are most familiar to participants, as well as those standards which are the least known (test value 3) are presented (see Table 2).

| Standard | N | M | Me | Mo | St. dev, |
|--|-----|-----|-----|----|-------------|
| ISO 9001 (quality management system) | 136 | 4.1 | 5.0 | 5 | 1.437 |
| ISO 14001 (natural environment management system) | 136 | 3.1 | 3.0 | 5 | 1.656 |
| OHSAS 18001 (occupational health and safety systems) | 136 | 2.7 | 3.0 | 1 | 1.541 |
| EFQM excellence model | 136 | 2.4 | 2.5 | 1 | 1.331 |
| ISO 27001 (information security management system) | 136 | 2.2 | 2.0 | 1 | 1.269 |
| Learning organization model | 136 | 2.1 | 2.0 | 1 | 1.127 |
| ISO 26000 (guidelines on social responsibility) | 136 | 1.9 | 1.0 | 1 | 1.440 |
| ISO 22000 (HACCP – food safety management systems) | 136 | 1.8 | 1.0 | 1 | 1.072 |

Table 2. Introduction of management standards

The results of the study confirmed that ISO 9001, dealing with the identification of an organization's business processes, with the purpose of promoting the fulfillment of the requirements and expectations of customers, is by far the most recognizable quality management standard, followed by ISO 14001 on environmental management, focusing on the protection and preservation of the natural environment.

Further on, Spearman's rank correlation coefficient was used to examine the correlation between the introduction of management standards and their characteristics. The results of the study confirmed that a statistically characteristic introduction of management standards is associated with the organization's revenue (p=0.002) and the number of employees (p=0.000). However, it does not affect the other parameters of the organization's characteristics, i.e. profit, growth, economic indexes (see Table 3).

Table 3. Spearman's rank correlation coefficient – introduction of standards and characteristics of organizations.

| Standard introduction | Revenue | Profit | Growth in business | Number of employees | Product- -ivity | Cost- effect. |
|-----------------------|---------|--------|--------------------|---------------------------|--------------------|------------------|
| r | 0.283** | 0.161 | 0.074 | 0.326** | 0.083 | 0.002 |
| p | 0.002 | 0.087 | 0.411 | 0.000 | 0.361 | 0.986 |
| N | 123 | 114 | 124 | 134 | 122 | 113 |

The aim of the research was to examine whether the understanding of management standards also correlated with the sector that the organization belongs to. The Kruskal-Wallis test is statistically characteristic (p=0.006) and was used to obtain the results on the degree of management standards introduction according to the average ranking and the organization's activities as indicated in Table 4.

Table 4. Kruskal-Wallis test – introduction of standards, based on the sector

| Sector | N | Ranking average | M |
|---|-----|-----------------|------|
| Catering (I) | 9 | 89.11 | 3.06 |
| Electricity. gas and steam supply (D) | 11 | 82.55 | 2.86 |
| Water supply. waste water management (E) | 11 | 94.45 | 3.14 |
| Retail (G) | 19 | 82.00 | 2.85 |
| Professional, scientific and technical activities | 14 | 63.11 | 2.39 |
| Civil engineering (F) | 11 | 73.55 | 2.66 |
| Financial and insurance activities (K) | 19 | 60.11 | 2.32 |
| Transport and storage (H) | 14 | 48.79 | 2.06 |
| Other various business activities (N) | 19 | 57.84 | 2.28 |
| Information and communication services (J) | 5 | 38.50 | 1.78 |
| Real estate (L) | 3 | 21.33 | 1.46 |
| Total | 135 | | |

The introduction of management standards is the highest in the catering sector, followed by the energy and water supply and retail sectors, while it is by far the lowest in the real estate sector as well as the information and communication services sector. Another point of interest of the study was whether the introduction of management standards correlated with an organization's ownership. The Kruskal-Wallis test for independent samples is statistically characteristic (p=0.039), while the results are presented in Table 5.

Table 5. Kruskal-Wallis test – introduction of standards, based on the ownership of the organization

| Ownership | N | Ranking average | M |
|---|-----|-----------------|------|
| Domestic and owned by the state (> 50%) | 44 | 77.28 | 2.74 |
| Domestic and private (> 50%) | 62 | 63.20 | 2.40 |
| Foreign (> 50%) | 12 | 54.42 | 2.20 |
| Mixed | 11 | 86.09 | 2.95 |
| Public institution | 6 | 43.50 | 2.00 |
| Total | 135 | | |

Furthermore, the study examined the correlation between the introduction of management standards and characteristics of the study participants. Spearman's rank correlation coefficient indicates that the introduction of management standards is also associated with the age of the study participants (p=0.006), years of service in an organization (p=0.000), as well as their position (p=0.019) – shown in Table 6.

The coefficient is the highest in the categories "participant age" and "years of service in an organization", which means that those are the key characteristics of managers affecting the introduction of management standards.

Table 6. Spearman's rank correlation coefficient – the introduction of standards and demographic characteristics of the decision-makers.

| Standard introduction | Gender | Age | Ind. YoS | Tot. YoS | Position | Education |
|-----------------------|--------|---------|----------|----------|----------|-----------|
| r | -0.065 | 0.255** | 0.358** | 0.234** | -0.209** | 0.133 |
| p | 0.452 | 0.006 | 0.000 | 0.014 | 0.019 | 0.123 |
| N | 135 | 116 | 118 | 110 | 126 | 136 |

Note:

Ind. YoS – years of service in a company individually,

Tot. YoS – total years of service of decision-makers.

By means of the Kruskal-Wallis test, the correlation between the introduction of management standards and a manager's position within an organization was examined. It was established that the understanding or introduction of management standards is most characteristic for senior and

^{** -} characteristic of a knowledge of standards,

executive management, i.e. the representatives of the highest management of an organization, who also influence an organization's performance to the greatest extent.

On the other hand, the poorest understanding of management standards is characteristic for middle management, especially for independent expert workers, which seriously impacts the adjustment, re-engineering and optimization of the business processes within an organization. In practice, this results in poorer realization of quality projects and obstacles towards the systematic and continuous improvement of the performance of an organization (see Table 7).

| Job title | N | Ranking average |
|--------------------------|-----|-----------------|
| Top management member | 57 | 67.08 |
| Senior manager | 35 | 75.49 |
| Middle manager | 22 | 49.82 |
| Independent professional | 12 | 36.63 |
| Total | 126 | |

Table 7. Kruskal-Wallis test – introduction of standards, based on the position

5.1. Confirming hypotheses

In confirming the hypothesis H1, it was determined that the introduction of management standards and the EFQM excellence model is significant for large organizations, depending on the number of employees and a higher income from operations (Table 3).

It was also established that it is more typical for the hospitality industry and the supply of electricity and gas, and the least typical for the field of informatics and real-estate (Table 4). Furthermore, it was established that the introduction of management standards is more significant for older members of the executive management with more seniority in the company that they run (see Tables 6-7).

In confirming the hypothesis H2, the research confirmed that the participants in the organization often or fully take all the stated principles of social responsibility into consideration, whereas the measured median values M range from 4.1 to 4.5 (see Table 8).

Table 8. Realization of social responsibility – principles

| REALIZATION OF SOCIAL RESPONSIBILITY PRINCIPLES | N | M | Me | Mo | St. deviation |
|---|-----|-----|-----|----|------------------|
| Competence/accountability. (Our organization is accountable/responsible for its impact on the society, economy, and environment (accountability means the obligation of the management to report on the supervisory interests of the organization, as well as the obligation of the organization to report to legal authorities with regard to laws and regulations). | 136 | 4.5 | 5.0 | 5 | 0.719 |
| Ethical behaviour. (Our organization behaves ethically. The operation of the organization is based on values such as fairness, equality, and integrity). | 136 | 4.4 | 5.0 | 5 | 0.830 |
| Respect for the rule of law. (Our organization has accepted the fact that the respect for the rule of law is obligatory.) | 136 | 4.4 | 5.0 | 5 | 0.745 |
| Transparency. (Our organization makes decisions and performs activities that impact the society and environment in a transparent way. We disclose the policy, decisions, and activities for which we are responsible, including their impact on the society and environment, clearly and completely.) | 136 | 4.3 | 4.0 | 5 | 0.878 |
| Respect for human rights. (Our organization respects human rights as well as acknowledges their meaning and universal applicability.) | 136 | 4.2 | 4.0 | 5 | 0.816 |
| Respect for international norms of action. (Our organization respects international norms staying loyal to the principle of respect for the rule of law at the same time.) | 136 | 4.2 | 4.0 | 5 | 0.860 |
| Respect for the interests of stakeholders. (Our organization respects, considers, and reacts to the interests of its stakeholders - individuals or groups with interests in the organization's activities). | 136 | 4.1 | 4.0 | 4 | 0.789 |

Spearman's rank correlation coefficient was used to establish whether there exist correlations between the implementation of principles of social responsibility and the performance of an organization, with respect to the financial indexes presented in Table 9. The study results proved that the consideration of the principles of the ISO 26000 standard on social responsibility has a statistical influence on the majority of financial

performance indexes of an organization that is both the revenue and the maximization of profits as well as the cost-effectiveness of the operations.

Table 9. Spearman's rank correlation coefficient – between the "principles" index and the financial indexes

| "Principles" index | Revenue | Profit | Growth of operations | Productivity | Cost- effectivenes s |
|--------------------|---------|---------|----------------------|--------------|----------------------------|
| r | 0.284** | 0.392** | 0.240** | 0.159 | 0.284** |
| p | 0.001 | 0.000 | 0.007 | 0.080 | 0.002 |
| N | 123 | 114 | 124 | 122 | 113 |

Note:

6. DISCUSSION

The study results also confirmed certain findings of the preliminary research, namely that study participants are most familiar with the ISO 9001 standard, which is considered the foundation for the quality management system, while the principles of the "process" approach expedite the fulfillment of the requirements and expectations of customers as well as every other stakeholder in the organization. It is followed by ISO 14001 on environmental management systems. The participants are less familiar with new guidelines of ISO 26000, which were recognized later in the study as a basic starting point for the socially responsible operations of an organization.

Here, a direct correlation was recorded between the knowledge of management standards and the characteristics of large organizations in terms of revenue (p=0.002) as well as the number of employees (p=0.000) in an organization. The introduction of management standards is therefore most characteristic for large and successful organizations engaging in catering, electricity, gas and steam supply as well as water supply. It is assumed that because of the current situation in the business environment, the lowest ratings belong to sectors dealing with real estate (i.e. "the real estate bubble") as well as information and communication services.

With regard to the ownership of an organization, the introduction of standards is most characteristic for mixed-ownership and domestic enterprises in the majority ownership by the state, while it is the lowest in public and scientific institutions. Especially characteristic is the introduction of

^{** –} organization's characteristics.

management standards by senior representatives of top management with a longer service in the organization and more experience, who are as such responsible for achieving the aims and objectives of an organization within a social environment, and apparently feel more responsible in the sense of the preservation and protection of the natural environment.

In confirming the hypothesis H1, it was established that the introduction of management standards and the excellence model is significant for organizations with a larger number of employees and a higher income from operations. In confirming hypothesis H2, Spearman's rank correlation coefficient was used to confirm the correlation between the "Principles" index (consideration of ISO 26000 on social responsibility) and the majority of the selected financial indexes linked to the performance of an organization, as well as the impact on sustainable development of the social and natural environment.

7. CONCLUSION

The results of this study generally correspond to the findings of other conducted research, especially those that included Slovenian organizations (Alič and Rusjan, 2010; Kern Pipan, Gomišček and Kljajić, 2014; KPMG, 2011; Piskar and Dolinšek, 2006), namely that executive management in organizations is in general familiar with the standards of socially responsible management, which are even implemented occasionally. However, in practice, this is insufficiently reflected in the implementation of a systematic improvement of operation processes and consequently business results. This could turn out to be an once-in-a-lifetime opportunity to enhance an organization's operations as the results of the study speak in favor of the findings that the implementation of the principles and guidelines of socially responsible operations in accordance with ISO 26000 directly and positively influence business results.

Another finding was that the integration of socially responsible management standards as a rule was substantially poorer in organizations recording a less-than-favorable performance, possibly due to poor engagement of an organization's middle management or even due to the unfavorable economic situation or poor management of an organization during the depression, e.g. in the field of real estate or the well-known instance of the deterioration of the civil engineering sector in Slovenia, in part also the lack of competitiveness of the information and communication services sector. In his research, McAlister confirmed that the organization which successfully integrates the social responsibility concept into its comprehensive business strategy, especially on the basis of the integration of current management

standards, can build its image on trustfulness, fairness and integrity, as well as develop precious sources for the evolution of a new dimension of sustainable development and long-term operational success (McAlister, Ferrell and Ferrell, 2005).

The most important limitation of this study is the fact that the questionnaires were filled in by the representatives of executive management, who as a rule have a better understanding of management standards and models while also possessing a greater influence on the performance of an organization. Studies primarily include successful organizations. It is similar in our study, which includes organizations that have generally introduced at least one ISO 9001 quality management standard, though the study incorporated exclusively a population of medium and large enterprises. Upgrading and optimization of socially responsible management standards integration as presented in this study may in the future focus on even greater investments into employee education and training, improving the communication between employees and customers within a social environment, as well as promoting the integration – especially of new socially responsible management standards and excellence models, e.g. ISO 27001 on information security management, ISO 26000 guidelines on socially responsible operations and the EFQM European excellence model.

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STANDARDI DRUŠTVENO ODGOVORNOG MENADŽMENTA – UTJECAJ NA ODRŽIVI RAZVOJ ORGANIZACIJE, DRUŠTVENOG I PRIRODNOG OKRUŽENJA

Sažetak

Cilj ovog članka je predstaviti rezultate istraživanja o značaju uvođenja, odnosno implementacije standarda društveno odgovornog menadžmenta i njihov utjecaj na poslovnu uspješnost organizacije te potvrditi korelacije s održivim razvojem šireg društvenog i prirodnog okruženja. Istraživanje je obuhvatilo populaciju srednjih i velikih poslovnih organizacija (s više od 50 zaposlenika) na području tržišnih usluga u Republici Sloveniji. Rezultati istraživanja potvrdili su izravnu vezu između razumijevanja standarda menadžmenta u organizacijama s većim brojem zaposlenika i ostvarenog većeg prihoda od operativnih aktivnosti. Sudionici istraživanja najbliže su upoznati sa zahtjevima standarda upravljanja kvalitetom ISO 9001 i standarda sustava upravljanja okolišem ISO 14001, što je posebno značajno za starije poslovne izvršne

rukovoditelje s višegodišnjim radnim iskustvom u poduzeću kojim upravljaju. Potvrđena je i hipoteza da implementacija načela društvene odgovornosti ima pozitivan utjecaj na održiv razvoj i financijske pokazatelje uspjeha organizacije – ostvarenje dobiti, razvoja poslovanja, produktivnosti i ekonomičnosti operativnih aktivnosti.

225