Integrating Environmental Principles in Sustainable Corporate Management Strategies

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Abstract

Environmental problems are important because they affect the lives of all humans. Therefore, company management needs to develop sustainable strategies. This research was carried out to look at how to integrate environmental principles into sustainable company management strategies. This study will employ a descriptive qualitative methodology. The data for this investigation is derived from diverse research findings and prior studies that remain pertinent to the current research. The results of this research then found that there were various problems faced in integrating environmental principles, such as cultural challenges, economic obstacles, and pressure from stakeholders. However, even though various challenges need to be faced, the impact of environmental integration is quite large. This includes improving the company's image, resource efficiency, and attracting investors. By using the right techniques, the environmental performance carried out by the company can be achieved well.

Keywords: Environment, Management Strategy, Company.

A. INTRODUCTION

Sustainable company management is one of the central issues in the modern business world. Companies around the world are increasingly realizing that sustainability is key to maintaining the sustainability of their operations and achieving long-term success. The environment has become a major concern in this context, with increasing pressure from various parties, including governments, consumers, and civil society, to integrate environmental principles into their business strategies (Huang et al., 2022).

In addition, increasingly pronounced and profound global climate change has significantly changed the business landscape. Companies are now faced with external challenges such as extreme weather changes, increasing carbon dioxide levels, and decreasing availability of natural resources. They also face serious reputational and legal risks if they do not comply with strict environmental standards. In this context, the integration of environmental principles in corporate management strategies is becoming increasingly urgent (Zhang et al., 2021).

However, although the importance of integrating environmental principles in corporate management has been widely recognized, implementation remains a challenge for many organizations. Many companies face a dilemma between
achieving economic growth and meeting environmental responsibilities. They often face a conflict between short-term profits and long-term sustainability. Therefore, it is necessary to further investigate how companies can successfully integrate environmental principles into their strategies without compromising their financial performance (Edwards, 2021).

Many previous studies have provided insight into the various approaches that can be used by companies to achieve sustainability goals and consider environmental factors. However, there is still room for more in-depth research into how companies implement these principles in their daily management practices. In addition, it is important to understand the impact of the integration of environmental principles on overall company performance, from both an economic and environmental perspective (Bebbington & Unerman, 2020).

Against this background, this research aims to investigate how companies integrate environmental principles into their management strategies and how this affects their performance in the long term. This research will provide valuable insights for companies seeking to become more sustainable, as well as for decision-makers, governments, and civil society concerned with environmental and sustainability issues.

B. LITERATURE REVIEW

1. Environment

The environment is defined as everything outside humans that is related to human life. According to Effendi, the environment is everything around humans that influences their survival and welfare with other living creatures, either directly or indirectly. The 21st century is an era of environmental restoration based on love for the earth and all life in it. Incessant industrial-based development in all sectors has replaced land that should be used for environmental interests and sustainability (Maulida et al., 2022).

Environmental problems are natural problems, which are events that occur as part of natural processes. However, currently, environmental problems can no longer be said to be problems that occur naturally, because humans are also a very significant causal factor in environmental damage. Awatara stated that the environmental damage currently occurring stems from human behavior errors regarding the perspective and errors in the exploration of natural resources (Ruangpan et al., 2020). This follows what was stated by Sudarmadi, that one of the causes of environmental damage is dominated by a lack of public awareness of environmental management. The environmental problems that occur can be said to be moral problems, which relate to human behavior which will determine the good and bad conditions of an environment. Human behavioral habits or actions in their interactions with the environment can influence changes in the environment (Chin et al., 2019).

One of the factors that influence environmental problems is the increasing rate of population growth and the existence of development and industry which is used as a solution to human life needs and has a negative impact, namely environmental
pollution which occurs in a chain. The key components of an individual's environmental consciousness encompass environmental knowledge, values, willingness to take action, and tangible behavior, all of which are shaped by numerous factors, including elements of intention and the surrounding circumstances. Environmental awareness is an important factor in increasing the sustainability of behavior or practices and focuses on knowledge about environmental problems that occur globally as well as strategies for overcoming environmental problems (Siddiqua et al., 2022).

Meanwhile, the principles of environmental ethics were formulated to be used as guidelines and demands for human behavior in dealing with nature. There are at least nine principles in environmental ethics, namely:

a. The principle of respect for nature
   Humans must respect the rights of all living creatures to exist, live, grow, and develop naturally following the purposes of their creator. For this reason, humans need to care for, maintain, protect, and preserve nature and all its contents and are not allowed to destroy nature without morally justifiable reasons (Van Norren, 2020).

d. The principle of cosmic solidarity
   Cosmic solidarity is essentially an attitude of human solidarity with nature. Cosmic solidarity functions to control human behavior within the limits of cosmic balance, as well as encourage humans to adopt pro-nature policies and disapprove of actions that destroy nature (Mok, 2020).

e. The principle of doing no harm
   This principle is centered on the notion of refraining from causing needless harm to nature. In its simplest form, it dictates that one should avoid actions that are harmful or jeopardize the existence of other life forms in the cosmos (Petetta & Ciccocioppo, 2021).

f. The principle of living simply and in harmony with nature
   This principle underscores the significance of values, quality, and one's way of life, rather than prioritizing wealth, possessions, or material standards. It promotes a lifestyle free from greed, excessive accumulation of wealth, and exploitation of nature, placing greater importance on a high quality of life. The moral principle of simple living must be accepted by all parties as a new lifestyle principle so that we can succeed in saving the environment (Hansen, 2023).
g. Principle of justice
The principle of justice stands in stark contrast to preceding principles. It places a
greater focus on the equitable conduct of humans towards one another with
respect to the universe, as well as the need to establish well-regulated social
systems that can contribute positively to environmental sustainability. The
principle of justice primarily talks about equal opportunities and access for all
members of society in determining policies for managing natural resources and
enjoying their use (Erman & Möller, 2022).

h. Principles of democracy
Democracy provides the widest possible space for differences, diversity, and
plurality. Therefore, everyone who cares about the environment is a democratic
person, on the other hand, a democratic person is very likely to be an
environmental observer. Environmental awareness can take the form of
multiculturalism, diversification of cropping patterns, diversification of diet,
and so on (Von Redecker & Herzig, 2020).

i. Principle of moral integration
This principle is primarily aimed at officials, for example, people who are
entrusted with carrying out environmental impact analyzes are people who
have high moral dedication because they are expected to be able to use the
trusted access they are given in carrying out their duties and not harm the
physical and non-physical environment or humans (Gürtler et al., 2021).

2. Sustainable Management Strategy
The beginning of the term modern sustainability stems from the relationship
between humans and nature which was echoed by the environmental activist
movement in the 1800s. This environmental activist explains the human relationship
with nature which supports human intuition and inspiration. Sustainable or
sustainable development is a concept that aims to provide long-term global life
through wiser use and management of economic and natural resources and respecting
the lives of people and other living creatures. This concept also explains the ability of
human civilization to create a world for humans and living creatures that are
environmentally, socially, and economically capable of providing for the needs of the
population without destroying the abilities of the next generation (Laborde & Jackson,
2022).

    The concept of sustainability first appeared in Stockholm at an environmental
conference in 1972. Various debates arose between industrialized and developing
countries regarding what was more important, whether economic development or
environmental protection. Various discussions gave rise to an inseparable link
between environmental protection and economic development (Paglia, 2021).

    Business operations, whether on a global, medium, or small corporate scale, all
exert influence on ecosystems, natural resources, and freshwater reservoirs, often
leading to higher levels of pollutants and hazardous waste. The conventional
approach to business is causing harm to the Earth's life-sustaining systems.
Sustainable business practices, considering economic, social, and environmental factors, are imperative not only for the immediate survival of enterprises but also for the long-term well-being of our planet (Dauvergne, 2022).

A successful sustainability strategy demands a profound comprehension of the cause-and-effect connections among various actions taken, their implications on sustainable outcomes, potential reactions from stakeholders, and the anticipated and real effects on financial performance. The sustainable corporate framework relies on the three dimensions of social, environmental, and economic factors. This model elucidates the factors influencing sustainable corporate performance, the decisions made by leaders that can impact performance, and the resultant effects on social, environmental, and economic performance (Mio et al., 2022).

The model’s input comprises external context, internal context, business environment, and human and financial resources. This input serves to enhance comprehension of the intricate factors requiring consideration, as well as the company’s inherent limitations. Thoroughly assessing these inputs and their potential influence on sustainability and financial performance enables the development of suitable processes. Sustainable strategies, structures, systems, programs, and initiatives significantly affect the costs and benefits of corporate activities, as well as their social and environmental consequences, ultimately impacting long-term financial performance through sustainable performance (Asatiani et al., 2020).

Efforts to image a global company are no longer solely the task of corporate public relations, company management at all levels needs to strive to balance and synergize environmental and social influences on financial profits. These three things are paradoxes that must be managed to see the extent of sustainable performance as a global scale company. The implementation stage of sustainable strategy development is a very important challenge for senior executives, but implementing the strategy is usually an even greater challenge. Implementing sustainable principles at Santos is a long and continuous process. The initial goal of the framework is to achieve compliance with applicable standards and regulations in the first phase and the next is the journey to become a leader in the energy sector (Bansal et al., 2022).

Evaluating the sustainability of corporations involves assessing their performance using sustainability metrics. Azapagic and Perdan propose a framework of indicators categorized into one, two, and three dimensions. Utilizing multiple indicators to gauge corporate sustainability introduces intricacy and is highly pertinent in the context of sustainability assessment. A composite indicator, combining eco-efficiency metrics, environmental management systems, environmental expenditure, sustainable energy generation, environmental impact costs, environmental tax expenses, and the volume of received complaints, offers a comprehensive overview of environmental performance and industry and energy sector responses (Fuentes et al., 2021).
C. **METHOD**

This research will be carried out using a descriptive qualitative approach. This approach will help in understanding in depth the various aspects related to the integration of environmental principles in sustainable corporate management strategies. The data used in this research comes from various research results and previous studies which still have relevance to the research discussion. This data will serve as a basis for developing a more comprehensive understanding of the constraints, benefits, techniques, and practices of environmental integration in the context of corporate management. Furthermore, the research data that has been collected will be processed carefully using appropriate analytical methods so that the results of this research can provide valuable insights and can be applied by other organizations to achieve sustainable sustainability (Kusumastuti & Khoiron, 2019).

D. **RESULT AND DISCUSSION**

1. **Obstacles and Obstacles in Environmental Integration**

The integration of environmental principles in sustainable corporate management strategies faces various obstacles and obstacles that need to be overcome. First of all, cultural challenges within a company are often a major barrier to change towards sustainable practices. Many organizations have a strong culture that places importance on profitability and short-term economic growth. Attempts to change ways of thinking and acting sustainably can meet resistance from employees and management who are accustomed to old ways of working.

Economic barriers are also an important issue in environmental integration. Companies are often faced with high initial investment costs to adopt green technologies, reduce their carbon footprint, or comply with stricter environmental standards. These costs can reduce their profit margins in the short term, which may be difficult for shareholders and investors who prioritize immediate financial gain. Therefore, companies need to find ways to overcome these economic obstacles while maintaining their competitiveness.

Furthermore, pressure from stakeholders who have different perspectives on sustainability can confuse companies. Stakeholders include consumers, investors, governments, and non-governmental organizations who have varying expectations regarding sustainability. For example, consumers may demand environmentally friendly products, while investors may be more concerned with profitability. Managing these varying expectations while maintaining consistency with company goals can be a complex task.

In addition, environmental regulatory uncertainty is also a significant obstacle. Changes in environmental regulations can affect a company’s long-term planning, especially if new regulations or policy changes may result in additional costs or fundamental changes in the way operations are conducted. Companies must be able to adapt quickly to regulatory changes to minimize their negative impact on their operations.
Lastly, the impact of extreme weather changes and environmental changes on company operations is also a significant obstacle. Extreme weather changes can disrupt supply chains, infrastructure, and natural resources needed by companies. This can cause significant financial losses and damage long-term business operations.

In the face of all these constraints and obstacles, companies need to take a holistic and sustainable approach to integrating environmental principles into their management strategies. This involves cultural change, adapting to regulatory uncertainty, innovation in technology, and effective communication with all stakeholders.

2. Benefits of Environmental Integration in Company Management Strategy

The integration of environmental principles in sustainable corporate management strategies brings various significant benefits to companies. One of the main benefits is improving the company’s image and reputation in the eyes of consumers and the public. When companies consistently take action to protect the environment, this creates a positive perception among consumers. Consumers tend to prefer to support companies that care about the environment, which in turn can increase consumer loyalty and market share.

In addition, environmental integration can also reduce legal and regulatory risks related to the environment. Companies that do not comply with strict environmental regulations can face costly sanctions and lawsuits. By integrating environmental principles into their strategies, companies can minimize these risks and ensure their compliance with applicable regulations.

In terms of efficient use of resources, environmental integration can also bring significant benefits. By adopting sustainable practices, companies can reduce their use of resources such as energy and water. Not only does this have a positive impact on the environment, but it can also result in long-term cost savings. Reducing operational costs can increase a company’s profitability and help create a more sustainable business from an economic perspective.

Furthermore, environmental integration can also increase attractiveness for investors who care about environmental issues. More and more investors are prioritizing companies that are committed to sustainability and environmentally friendly business practices. By implementing sustainable strategies, companies can attract greater investment and diversify their funding sources.

Finally, environmental integration also stimulates innovation within the company. As companies strive to meet sustainability challenges, they often develop new solutions and green technologies that can provide a competitive advantage. This opens up opportunities to innovate in products, processes, and services, which in turn can help companies compete in an increasingly environmentally conscious market.

Overall, the benefits of environmental integration in a company’s management strategy not only include positive aspects for the environment but also have a positive impact on company image, regulatory compliance, operational efficiency, investor
attraction, and innovation. By understanding and exploiting these benefits, companies can achieve long-term sustainability and sustainable economic profits.

3. Environmental Integration Techniques and Practices

The application of sustainable product design principles is one of the important techniques for environmental integration in company management strategies. This involves developing products and services by considering their entire life cycle. Sustainable product design focuses on reducing environmental impact, from raw materials to manufacture, distribution, use, and ultimately, recycling or disposal. This practice not only reduces the environmental footprint but can also produce products that are more efficient, long-lasting, and meet the expectations of consumers who are increasingly concerned about the environment.

In addition, the use of renewable energy and energy efficiency in company operations is also an important step in environmental integration. Adopting renewable energy technologies such as solar panels or wind turbines can help companies reduce greenhouse gas emissions and their dependence on fossil energy sources. Energy efficiency can also be achieved through careful monitoring and control of energy consumption in daily operations. This not only reduces environmental impact but also saves long-term energy costs.

Responsible and sustainable waste management practices are also a key component in environmental integration. Companies must ensure that the waste generated is processed and disposed of in an environmentally friendly manner. This could involve recycling, processing hazardous waste, or creating reusable byproducts. Reducing waste also has the potential to reduce waste management costs and negative environmental impacts.

Furthermore, the development of sustainable and transparent supply chains is an important step in environmental integration. Companies need to work closely with suppliers and business partners to ensure that the raw materials used come from sustainable and ethical sources. This involves monitoring and auditing supplier practices to ensure compliance with specific environmental and social standards. Sustainable supply chains can help reduce risks associated with non-compliance with environmental principles and also create opportunities to collaborate with partners who share a similar sustainable vision.

Finally, environmental impact assessments, such as Life Cycle Assessment (LCA), are important tools in the evaluation of products and business processes. LCA allows companies to identify the environmental impact of their products or services from the beginning to the end of their life cycle. By understanding these impacts, companies can identify areas for improvement and take the necessary actions to reduce their environmental footprint.

In implementing these environmental integration techniques and practices, companies can achieve operational efficiency, reduce environmental risks, and meet the demands of consumers who are increasingly concerned about the environment.
Moreover, it also contributes to the achievement of larger sustainable goals and has a positive impact on the natural environment as well as society as a whole.

4. Environmental Performance Assessment

Environmental performance assessment is a key element in efforts to integrate environmental principles into sustainable corporate management strategies. To measure environmental performance, companies must use relevant and measurable metrics. This metric includes several factors, including greenhouse gas emissions, natural resource use, waste generation, and other environmental impacts. These metrics must align with the company’s sustainability goals and must be able to measure progress in achieving environmental targets.

Sustainability and transparency reports play a key role in conveying information about environmental performance to stakeholders. Sustainability reports are an important tool for communicating with various stakeholders, including investors, consumers, and governments. This report includes data on the achievement of environmental targets, sustainable practices, environmental innovations, and steps taken to reduce environmental impacts. Transparency in reporting allows stakeholders to better understand the company’s efforts to protect the environment.

For example, several companies have succeeded in measuring and improving their environmental performance through various initiatives. One example of a case study is a large technology company that succeeded in reducing its carbon emissions by adopting renewable energy and optimizing energy use in its data centers. These steps not only reduce a company’s environmental impact but also result in significant cost savings in the long term.

Other companies, particularly in the food and beverage industry, have taken significant steps in reducing waste and managing their product scraps. They rejuvenate production processes, recycle raw materials, and work with business partners to minimize waste. In addition to reducing environmental impact, this practice has also resulted in ongoing operational efficiencies and cost savings.

Environmental performance assessments are not just about measuring negative impacts, but also identifying opportunities for improvement. Some companies have seen improved environmental performance as an opportunity to innovate and market more environmentally friendly products or services. For example, car companies have developed electric and hybrid vehicles in response to increasing consumer demand for sustainable mobility.

By using the right metrics, communicating transparently through sustainability reports, and leveraging case studies of other companies’ successes, organizations can measure, improve, and communicate their environmental performance effectively. This not only helps companies achieve their sustainability goals but also allows them to remain relevant and competitive in a market that is increasingly concerned about the environment.
5. Case Studies of Companies Successful in Environmental Integration

To understand more deeply the integration of environmental principles in company management strategies, several company case studies have succeeded in becoming an inspiration. One company worth emulating is Patagonia, a leading outdoor clothing manufacturer. Patagonia has successfully integrated environmental principles throughout its supply chain. They use more sustainable materials, support the recycling of their products, and openly communicate with consumers about their sustainability efforts. How did Patagonia overcome the obstacles? They invest in research and development to create more environmentally friendly materials, and these initiatives not only reduce their environmental impact but also strengthen their brand.

Another case study is the large technology company, Apple. Apple has made significant achievements in reducing the environmental footprint of its products. They are committed to using renewable energy in their operations and have reduced carbon emissions in their supply chain. Apple also utilizes product designs that are more efficient in energy use and environmentally friendly. The way Apple overcomes these obstacles is by investing in green technology and collaborating with business partners to achieve sustainable goals. The lesson that can be learned from Apple is the importance of technological innovation to achieve sustainability.

Another interesting example is IKEA, a global furniture company. IKEA has integrated environmental principles in their product design with a focus on using more sustainable and environmentally friendly materials. They have also committed to recycling and reducing waste throughout their supply chain. How does IKEA overcome obstacles? They work closely with suppliers to develop new environmentally friendly materials and support a circular approach in the furniture business. The lesson to be learned is the importance of collaboration with suppliers and a deep understanding of the supply chain.

Ultimately, the case studies of these companies provide valuable lessons for other organizations seeking to integrate environmental principles into their management strategies. They show that with strong commitment, innovation, and collaboration, obstacles can be overcome. Their success in achieving sustainability not only has a positive impact on the environment but also improves the brand image, attracts environmentally conscious customers, and increases operational efficiency. By learning from the experiences of these companies, other organizations can pursue the same path to continued sustainability.

E. CONCLUSION

Integrating environmental principles into sustainable corporate management strategies is an important step in an era of business that is increasingly concerned with environmental issues. Despite facing various obstacles such as cultural challenges, economic obstacles, stakeholder pressure, regulatory uncertainty, and the impact of environmental change, the benefits obtained are very significant. This includes improving the company’s image, reducing legal and regulatory risks, efficiency in the
use of resources, attractiveness to investors, and the ability to innovate in an increasingly environmentally conscious market. Through the use of techniques and practices such as sustainable product design, use of renewable energy, responsible waste management, sustainable supply chain development, and environmental impact assessment, companies can achieve better environmental performance. Case studies of successful companies have provided inspiration and valuable lessons on how to overcome obstacles, optimize benefits, and achieve ongoing sustainability. With the right commitment, innovation, and collaboration, other organizations can follow in these companies' footsteps towards a more sustainable future for the environment and their businesses.

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