PRINCIPLE 10

Businesses should work against corruption in all its forms, including extortion and bribery

PRINCIPLE 9

Businesses should encourage the development and diffusion of environmentally friendly technologies

PRINCIPLE 8

Businesses should undertake initiatives to promote greater environmental responsibility

PRINCIPLE 7

Businesses should support a precautionary approach to environmental challenges

PRINCIPLE 6

Businesses should uphold the elimination of discrimination in respect of employment and occupation

PRINCIPLE 1

Businesses should support and respect the protection of internationally proclaimed human rights, within the scope of their influence

PRINCIPLE 2

Businesses should make sure that they are not complicit in human rights abuses

PRINCIPLE 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

PRINCIPLE 4

Businesses should uphold the elimination of all forms of forced and compulsory labour

PRINCIPLE 5

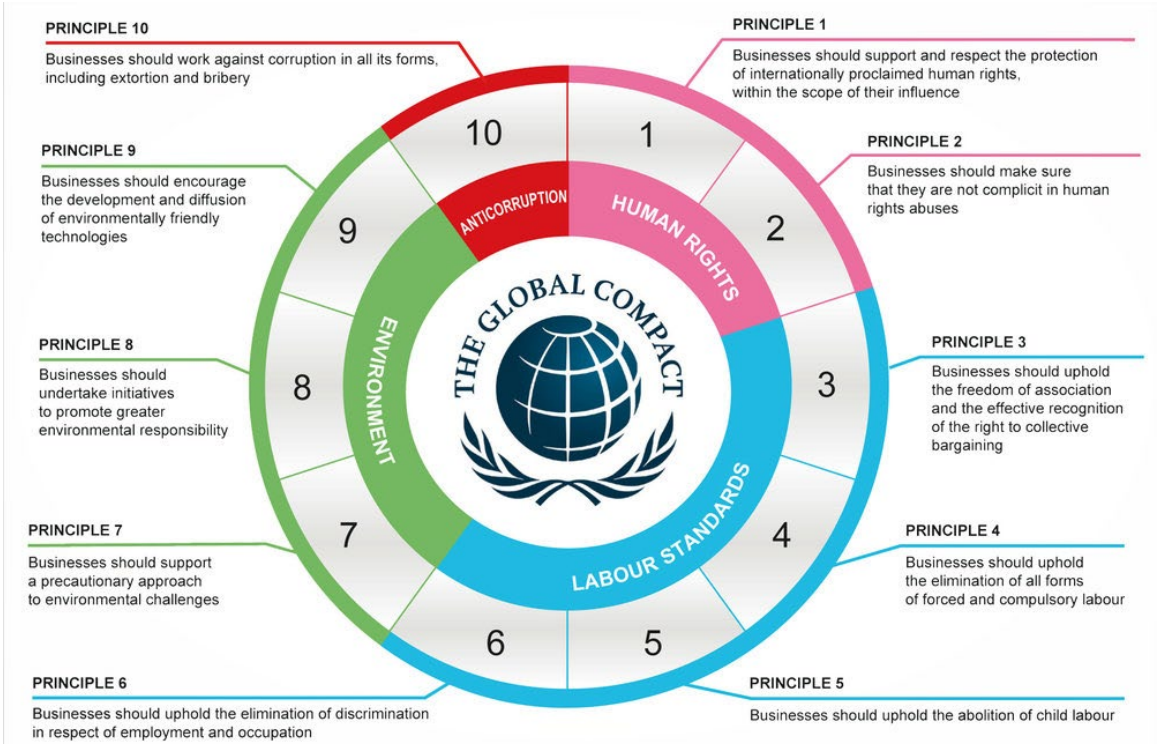Businesses should uphold the abolition of child labour

Figure 1. Ten principles of the UN Global Compact

Source: (BusinessHub4 Sustainability, 2020).

By incorporating the 10 UNGC principles into strategies, policies as well as procedures, and establishing a culture of integrity, companies confirm their basic responsibilities towards people and the planet, also setting the platform for long-term success (Global Compact Network Canada, 2019).

It can be said that the UNGC, as the largest global governance, voluntary corporate responsibility initiative in the world, addresses the social and ecological responsibilities of multinational corporations. Its underlying idea is that all business participants, NGOs, organised labour, UN agencies and governments, make an active contribution to achieving UN goals and UNGC principles (Kell, Slaughter, & Hale, 2007; Thérien & Pouliot, 2006; Williams, 2004) through incorporating them into their policies and strategies. It needs to be highlighted that, compared to other initiatives, the UNGC has considerable geographic reach (as it covers more than 150 countries) and also moral legitimacy as well as political support of the UN with its 193 Member States (Ruggie, 2001).

Therefore, the UNGC is also often introduced as part of an emerging global institutional infrastructure for corporate responsibility (Vogel, 2008; Waddock, 2008).

4.2. Principles of the UN Global Compact

The main goal ofthe UNGC is that business and other participating organisations integrate, support and promote the set of 10 principles divided into the 4 mentioned areas: human rights, labour standards, the environment and anti-corruption. The level of their engagement shows their ability to encourage these principles in their field of operation.

Human rights
Principle 1*: Businesses should support and respect the protection of internationally proclaimed human rights.*
Principle 2*: Assuring businesses are not complicit in the abuse of human rights.*

One of the most challenging areas in every sphere of sustainability as well as in the area of business sustainability is the respect and support for human rights. As already mentioned, these 2 principles are derived from the world-known document—the Universal Declaration of Human Rights, adopted in December 1948 by the UN General Assembly in Paris. The Declaration was inspired by experiences from World War 2, aimed at avoiding similar catastrophes in the future. Therefore, the goal of these principles is to make businesses and organisations compatible with the UN Global Compact and Corporate Social Responsibility values (more in UNGC, 2020d; Gonzales-Perez & Leonard, 2017).

In the past, human rights were only concerned with states and were only addressed by international human rights instruments. However, during last decade, still more companies (no matter the size, location or industry) were confronted with the idea that they should address and adopt human rights frameworks in their activities (Gonzales-Perez & Leonard, 2017, p. 127).

It can be said that these principles define the general expectations of the UNGC in the field of human rights, mainly, as already stated, in the field of respect for and the promotion of human rights. Respect for human rights means that a company should try to avoid human rights violations. Business are also encouraged to support and protect human rights, for example, through core business, strategic social investment, philanthropy, public policy engagement, advocacy and/or partnerships, as well as other collective action, actively and positively. Special attention shall be paid to the rights of vulnerable groups, including women, children, individuals with disabilities, indigenous people, migrant workers, seniors, etc. (UNGC, 2000a). Business shall also avoid the complicity (participation in human rights violation) beyond their core business activities. Ways for business to contribute to human rights then also include job creation, development of goods and services that help people meet their basic needs, the promotion of public policies that encourage

social sustainability, partnerships with other business having greater impact, and strategic social investments (Kenton, 2020).

Labour standards
Principle 3*: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.*
Principle 4*: Businesses should eliminate all forms of forced and compulsory labour.*
Principle 5*: Businesses should effectively abolish child labour.*
Principle 6*: Businesses should eliminate discrimination in respect of employment and occupation.*

These 4 principles are derived from the ILO Declaration on Fundamental Principles and Rights at Work, which was adopted in 1988. According to it, all Member states have an obligation arising from their membership in the Organisation to respect, promote and realise the principles concerning fundamental rights. The Declaration mentions 8 conventions, which involve freedom of association and bargaining, abolition of forced labour, effective abolition of labour by children before the completion of compulsory education, and no workplace discrimination. These rights are universal for everyone, no matter what the economic and social development level of the country (more in, UNGC, 2000a; Gonzales-Perez & Leonard, 2017).

The 3rd principle concretely means that both workers and employers have the right to form, associate and manage their own organisations in promoting their interests, without the intervention of the state or any other entity freely and voluntarily. Workers have the right to an environment free of violence, pressure, fear and threats. This freedom, as well as these rights, also allow workers and organisations to defend their economic and social interests. This principle also allows to point out that collective bargaining is a voluntary process through which employers and workers can constructively discuss and negotiate their relationships and working conditions (UNGC, 2000a).

The 4th principle is focused on avoiding any work or services that is required from any person under the threat of punishment or for which that person has not voluntarily offered (UNGC, 2000a). The next principle relates to the previous one and it is focused on prohibition of *child labour*. However, this term should not be used interchangeable with the terms—*youth employment* or *student work*. Under the term 'child labour', we understand a form of exploitation that is a violation of human rights, it is recognised and defined by international instruments. The basic international standards distinguish what is acceptable and what is unacceptable work for children (more in, UNGC, 2000a).

The 6th principle is aimed at avoiding discrimination in employment and occupation, which means treating people differently or less favourably because of

the various characteristics, mostly: race, sex, culture, religion, political opinion, nationality, social origin, age, disability, trade union membership, sexual orientation, etc. Discrimination can be direct or indirect, and it can arise in various areas and issues, for example, in terms of access to employment as well as in the treatment of employees at work. Its avoidance is mainly the task of organisations. Simply said, no discrimination means that workers are selected based on their ability to do a job and that there is no distinction, exclusion or preferences made in other areas (more in, UNGC, 2000e).

Environment

Principle 7*: Businesses should support a precautionary approach to environmental challenges.*

Principle 8*: Businesses should undertake initiatives to promote greater environmental responsibility.*

Principle 9*: Businesses should encourage the development and diffusion of environmentally-friendly technologies.*

Three UNGC environment principles reflect the foundation of corporate environmental responsibility. They are derived from the Rio Declaration on Environment and Development adopted in 1992, which consists of many principles to guide future international sustainable development and to address environmental challenges such as climate change, drinking water availability, pollution, ecosystems damages, waste production, deforestation, land degradation, etc. (Gonzales-Perez & Leonard, 2017). These principles pay importance to the precautionary approach towards the environment, thus, when there is reasonable suspicion of harm, decision-makers need to apply precaution and consider the degree of insecurity that appears from scientific evaluation. This is connected to the Rio Declaration in which it is stated that businesses have the responsibility to ensure that their activities do not endanger the environment. There is also a call to support environmentally-friendly technologies, which protect the environment, are less polluting, use all resources in a more sustainable manner, recycle more of their waste/products and handle residual wastes in a more acceptable manner (more in, UNGC, 2000a). In other words, the UNGC member organisations are expected to act in an environmentally-friendly way and to take environmental challenges into account. Moreover, they also need to recognise the link between environmental issues and social as well as development priorities to contribute to the better and sustainable future of the world.

Anti-corruption

Principle 10*:Businesses should work against corruption in all its forms, including extortion and bribery.*

The last principle is focused on another big, world-wide challenge—corruption. It was additionally added to the UNGC in 2004 and it derived from the UN Convention Against Corruption as the first legally binding international anti-corruption tool. This Convention requires the implementation of measures for preventing and criminalising corruption from all its members. Limiting corruption, setting and enforcing sanctions were, in the past, a task for public authorities, however, in previous years, the civil society and private sector have started to assume a proactive approach towards fighting corruption. It is very important for every area to better world development, as "corruption interferes with sustainable development, skews competition, obstructs economic growth, incurs severe legal penalties, affects reputations and undercuts liberal economic mechanisms" (Gonzales-Perez & Leonard, 2017, p. 129). Therefore, this principle requires UNGC participants to avoid bribery, extortion and other forms of corruption, while developing policies and programmes to address corruption internally and within their supply chains. "Corruption can take on various forms and companies should work collectively and participate in creating a more transparent global economy" (UNGC, 2000a).

4.3. UN Global Compact and Sustainable Development Goals

Although we can see a different nature and aim of these 2 initiatives, both the UNGC and the SDGs operate under the UN and therefore, share some common features in terms of how they approach responsible management (Rasche, 2020, p. 1). While, as earlier mentioned, the UNGC reflects a voluntary initiative for which the organisations can sign up, the SDGs do not represent any standard or initiative which organisations, corporations or states can join. SDGs reflect the UN agenda for sustainable development that shall be fulfilled by the year 2030 and states can just support and promote them, behaving accordingly, to reach them as closely as possible. However, as also mentioned, the UNGC and its 10 principles are strongly connected with the sustainable development and reaching SDGs. Involved corporations, as well as other organisations, are expected to behave and act sustainably in line with these sustainable goals.

Consequently, it may be said that the long-term strategy of the UNGC is to enhance business awareness and action to support achieving the SDGs by 2030 (UNGC, 2020b). The UNGC tries to achieve its goal of spreading the UN mission, including achieving Sustainable Development Goals and the implementation of the 10 principles by encouraging growth of signatory organisations, and through establishing local networks and by encouraging dialogue on specific policy areas (Voegtlin & Pless, 2014, p. 7–8). In Figure 2, the interconnection among the 10

Nr	Goal type	Mission, vision or strategic objective statements
5.	Healthy and productive ecosystems	**Forestry:** "For each stable that we cut, we plant 3 new ones!" *(addressing implementation of efficient eco-service management and restoration of natural resources).* **Local farm:** "We strive to preserve local and ancient animal species, and to brew in conditions as did our grandparents!" *(addressing goal of maintaining biodiversity).*
6.	Governance for sustainable societies	*Note: This goal is oriented towards national and local governments, thus we cannot provide examples of corporate statements.*

Source: Own elaboration.

Mission and vision statements are basic guidelines for further development of sustainable strategy and its implementation. In addition, they are useful for effective communication of main sustainability attitudes and values with internal and external stakeholders. Nonetheless, based on mission and vision statements, a company should develop basic sustainability principles and set major goals that are achievable and measurable over time. Then, policies and activity plans are designed and resources needed for their implementation into everyday business practice are planned. Epstein and Rejc Buhovac (2014, p. 54) suggest that senior management levels should be committed to sustainability strategy and that corporate executives decide on level of sustainability to be implemented in corporate strategy together with resources needed for its incorporation. In addition, they suggest that there are 3 levels of sustainability issues: (1) general, (2) value chain, and (3) those regarding the competitive dimension. General issues effect everyday activities of a company, but a company cannot influence them. A company can strongly affect sustainability issues occurring in its value chain. While in dealing with the competitive dimension, a company has to take all aspects of "Porter's 5 forces" into consideration to improve or change its sustainability performance.

There are 3 main stages in developing sustainability strategy (see Epstein & Rejc Buhovac, 2014, pp. 55–57), and each stage requires a different approach, different information and different level of top-management involvement. In Figure 1, stages of incorporating sustainable development into corporate strategy are shown. As a company moves from stage 1 to 3, regarding the sustainability role in overall corporate strategy, its focus, motivation and values, as well as way of conducting business, changes rapidly. While at stage 1 the company only reacts to external obligations regarding sustainable development, the next 2 stages require an active approach in design, implementation and audit of sustainable development policies. Communication and information sharing on sustainability policies and practices changes as well. At stage 3, communication with all stakeholders is more transparent and more objective than during stage 1.
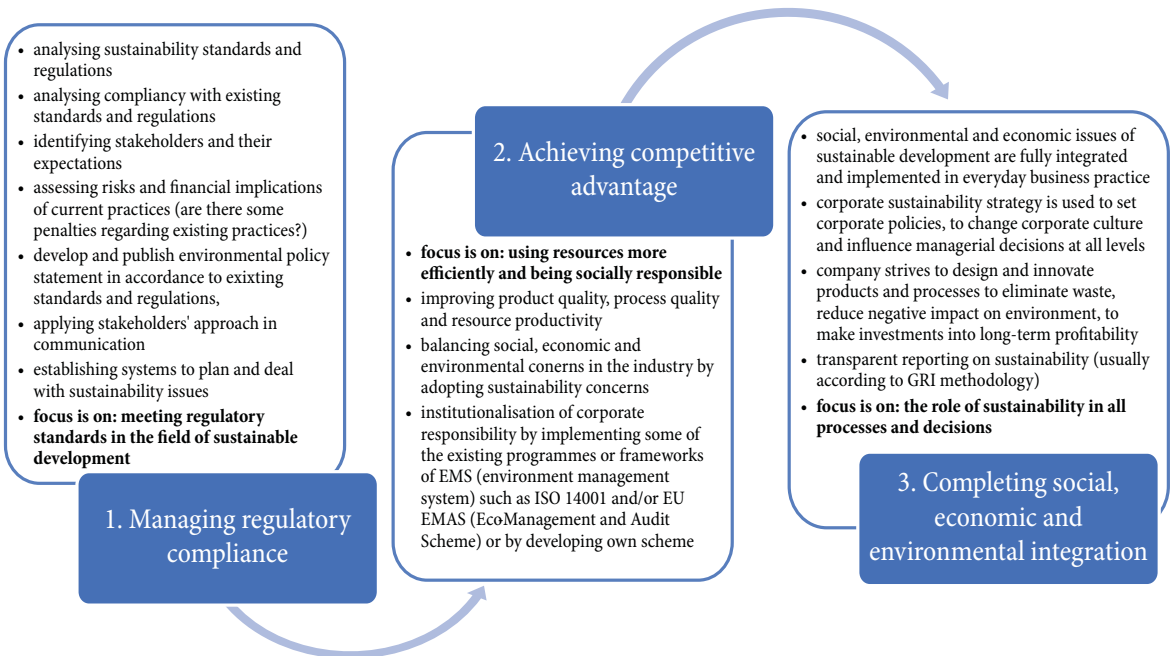
1. Managing regulatory compliance

- analysing sustainability standards and regulations
- analysing compliancy with existing standards and regulations
- identifying stakeholders and their expectations
- assessing risks and financial implications of current practices (are there some penalties regarding existing practices?)
- develop and publish environmental policy statement in accordance to exixting standards and regulations,
- applying stakeholders' approach in communication
- establishing systems to plan and deal with sustainability issues
- **focus is on: meeting regulatory standards in the field of sustainable development**

2. Achieving competitive advantage

- **focus is on: using resources more efficiently and being socially responsible**
- improving product quality, process quality and resource productivity
- balancing social, economic and environmental conerns in the industry by adopting sustainability concerns
- institutionalisation of corporate responsibility by implementing some of the existing programmes or frameworks of EMS (environment management system) such as ISO 14001 and/or EU EMAS (EcoManagement and Audit Scheme) or by developing own scheme

3. Completing social, economic and environmental integration

- social, environmental and economic issues of sustainable development are fully integrated and implemented in everyday business practice
- corporate sustainability strategy is used to set corporate policies, to change corporate culture and influence managerial decisions at all levels
- company strives to design and innovate products and processes to eliminate waste, reduce negative impact on environment, to make investments into long-term profitability
- transparent reporting on sustainability (usually according to GRI methodology)
- **focus is on: the role of sustainability in all processes and decisions**

Figure 1. Three stages in sustainability strategy development

Source: Own visualisation according (Epstein & Rejc Buhovac, 2014, pp. 55–57; Kuisma, 2017, pp. 43–69).

In Table 2, the communication of selected Polish and Croatian companies regarding sustainability is shown. As selected companies are on the lists of most successful companies in observed countries, they can serve as good examples how sustainability policies could be communicated to the wide public and special stakeholders (the selected private Polish companies ranked according to their value in 2019 by Forbes (Szeligowski, 2019); and selected large successful private Croatian companies (Croatia.eu. land and people, n.d.). All analysed companies apply the stakeholder's approach in communicating sustainable development policies, and all of them apply the GRI methodology of sustainable development reporting. GRI compliant reports are available to be downloaded for further analysis.

Table 2. SD in strategy of selected companies

	Sustainable development communication
Cyfrowy Polsat	Dedicated website in Polish and English language. **Main stakeholders**: customers/viewers, employees, natural environment, digital responsibility. **Social mission:** *we implement in the areas of safety, aid to children and promotion of sports.* **Reports on SD and CSR** are available in accordance to GRI methodology.

	Sustainable development communication
LPP S.A.	Website dedicated to sustainability in Polish and English language. SD strategy can be downloaded for 2015-2030 with clearly defined goals. **Stakeholders:** divided into 2 main groups—planet and people. **Social mission:** *Sustainable fashion, reducing environmental impact and social responsibility—these are the tenets underlying all our planning and decision-making—on both a macro and global scale. We are committed to acting fair at every single stage, which our employees, colleagues, business partners and customers appreciate. However, our priority is to have positive impact on our planet.* **Reports on SD and CSR** are available fully following GRI requirements.
Polpharma Group	Website dedicated to CSR in Polish and English language. Separate strategy available, developed according to SDGs. **Main stakeholders**: customers (product-oriented), employees, environment, general public. **Social mission:** *To improve the health and quality of patients' life, we provide access to important therapies as well as education and preventive care. Through dialogue and partnership, we respond to the needs of the communities in which we operate.* **Reports on SD and CSR** are available fully following GRI.
Podravka	Dedicated website with detailed information on CSR and SD, both in Croatian and English versions. **Stakeholders:** consumers, employees, environment, society, local Economy. **Social mission:** *Advancing the application of norms regarding socially responsible business and compliance of the economy with society's developmental goals and preserving the environment for future generations. According to Podravka, sustainable development represents a balance of economic priorities, strengthening society and environmental protection.* **Reports on SD and CSR** are available in GRI reports since 2015 to date.
Atlantic Group	Dedicated website with detailed information on CSR and SD, both in Croatian and English versions. **Stakeholders:** employees, community, environment, investors (covered in CSR part of the website), but consumers are also stakeholders (emphasized, yet in business strategy and in the numerous general parts of the website in terms of responsibility towards them). **Social mission:** *As a part of the community in which it functions, Atlantic Group is aware of the importance and need of its impact on the improvement of social conditions in general, promoting the right values and the need to invest a part of its profit into the community.* **Reports on SD and CSR** are available in GRI reports since 2014 to present.
Adris Group	At the level of the group, there is no special dedicated website in the field of SD and CSR, but there are sites at the level of constitutive companies (both in English and Croatian). **Stakeholders:** From general information of the Group, we can read that stakeholders of SD are: customers, investors, local community. **Social mission:** At the level of the group, there is no explicit information available. But, at a part covering their Foundation, we can read the following: *The mission of the Adris Foundation is to promote Corporate Social Responsibility and to contribute to the advancement of the Croatian society. The vision of the Adris Foundation is to participate in the establishment of social justice, equal opportunities, better conditions and quality of life of Croatian citizens and to create a competitive and socially-responsible economy, based on knowledge and innovation.* **Reports on SD and CSR** are a constitutive part of Annual Reports.

Source: Own elaboration based on (Polsat, 2020; LPP SA, 2020; Polpharma, 2020; Podravka, 2020; Atlantic, 2020a; 2020b; 2020c; Adris, 2020a; 2020b).

1.2. Global and local perspectives
of sustainable development

In the previous part, we pointed out that mission, vision and strategic objectives of a company should be formulated in accordance to UN SDGs that are expressed as global sustainability agenda over some period. However, if we dig a little bit deeper into those global goals, we will see that they are formulated in an idealistic way. There is an ongoing debate as to how a company or organisation can address all those goals and contribute to global sustainability. In addition, there are numerous definitions of sustainability, and in this book, in various chapters, we elaborate on them from various aspects. Definitions can be simple, given in the form of a short statement outlying just basic principles and not giving any clue as to which area of a company, organisation or local community should conduct its everyday activities. Or, on the other hand, definitions can be very complex, providing detailed insight into areas covered and/or practical instructions how to organise everyday life in the long-run, without diminishing natural resources.

According to Sandhu, Harris, & McKenzie (2014, pp. 1–14), Brundtland's classical definition of sustainability is an example of a simple, ideal, global definition. While Sustainable Seattle's Indicators of a Sustainable Community, or Sustainability Reporting Guidelines from the Global Reporting Initiative are examples of a complex, ideal, local definition of sustainable development. Grey (2010) points out that assessment of an organisation's impact on planetary sustainability is almost impossible and that it is hard to conceptualise frameworks and measurement systems in that sense. Nonetheless, Sandhu et al. (2014, p. 3) argue that organisations can make a meaningful contribution to the global sustainability agenda, without trying to assess contribution to all aspects and overall planetary sustainability. Therefore, taking the need of balance between local and global sustainable actions into account, Sandhu et al. (2014, p. 3) propose the following definition of sustainability: "Sustainability is a collective, progressive and self-reflexive activity, undertaken within communities, designed to develop more sustainable relationships with the natural environment, including its own members and members of other communities".

At a local level, this definition allows to indicate that sustainability is a continuous, progressive action, which requires active engagement of different members of community (individuals, companies, NGOs, local government, national governments, etc.). Also, this definition includes an aspect of continuous self-reflection and improvement of one's own actions and policies in order to make a substantive and meaningful change in individual or organisational behavior, further contributing to the realisation of some part of SDGs on a global level.

For many years, there was a tendency to promote sustainable development in a top-bottom manner, starting from global sustainability impulses, which are spreading from the global level in form of policies, actions and principles, to local

levels all the way to organisations and individuals (Cavallaro & Dansero, 1998). Nowadays, we have a broader view and bottom-up social initiatives starting from a local level with an aim to influence global sustainability are growing rapidly because organisations and individuals are now, more than ever before, aware and informed of the problems related to poverty, ecology and health issues. Therefore, today, the integration of local and global approaches must be in focus if we want to ensure sustainability in the long-run. In this sense (when planning corporate sustainability strategy regarding the local or global level), apart from the UN SDGs, special attention should be paid to local factors influencing the operation of a company. Epstein and Rejc Buhovac (2014, p. 60) suggest companies take internal factors into account (such as: corporate culture, competitive position and sustainability performance of a company), and external factors (such as: regulations, market conditions and geographic factors).

1.3. Conflict of Sustainable Development Goals in organisation

When we analyse SDGs, we can conclude that sustainable development has 3 main pillars: (1) striving for increasing economic efficiency (economic development and economic growth), (2) fostering social responsibilities (social progress and social inclusion), and (3) improvement of environmental protection. At first glance, it may seem that all 3 pillars are in harmony and that sustainable development is an easy task for a company or organisation to realise. Nevertheless, in practice, that is not the case, and it is not true, neither on a global or local level, nor on the level of a particular organisation or company.

The pillars of sustainable development are in intertwined interaction and they cannot stand on their own without influencing one another. Therefore, sustainable development requires a holistic approach, and when a company or organisation or even local or national government develops a sustainable development strategy, it has to take all pillars for each strategic goal into account. Moreover, interrelationships between pillars should be analysed and balanced as well. For instance, continuous economic growth can be detrimental to social welfare and for ecology, if it is conducted in a manner that does not consider the role of a company in a local community and its social responsibility towards all stakeholders, including the environment aspect.

There are studies in which the existence of conflict is elaborated on, even within the UN's SDGs.

For instance, Spaiser, Ranganathan, Bali Swain, & Sumpter (2017) tested the consistency of 17 UN SDGs by applying an extensive set of indicators in official statistics measuring global social and economic development. They came to several

of an organisation as a whole, on the one hand, and the quality of the entities being exchanged between the organisation and its stakeholders on the other.

Another example of the definition of quality is given by Narayanan Ramanathan, who argues that the concept of quality needs to be reinterpreted within the context of the environmental and social problems, as well as challenges facing the globalised world. Based on the Brundtland Commission's definition of sustainable development, Ramanathan (2015) proposed the following definition of quality: "Fulfill stated, implied and latent needs of customers in a manner that preserves the earth not only for future generations of humans but for all living things".

We may conclude that there is no single or everlasting definition of quality accepted by all. But regardless of which definition we accept, and irrespective of the context in which it is used, as Dale (2003) points out, it usually distinguishes one organization, event, product, service, process, person, result, activity, or communication from another.

The evolving notion of quality

The concept of quality has broadened and it needs to be reinterpreted accordingly. Initially, quality was primarily related to the product, the quality of the product was at the centre, but in the course of social and economic development, the concept of quality expanded to include all aspects of organisational operation, therefore, quality became a system-level concept.

Through the processes and changes taking place in the world, the concept of quality is also changing. For that reason, the meaning of quality necessarily changes over time. Shiba et al. (1993) distinguished 4 phases or levels of development in the evolution of quality. Briefly, they are as follows:
1) "fitness to standard", i.e., conformance to the specifications;
2) "fitness to use", i.e., meeting known customer needs, satisfying the customers' requirements;
3) "fitness of cost", that means achieving customers' requirements at low cost, otherwise maintaining high-quality or increasing quality while reducing costs;
4) "fitness to latent requirement" (delighting the customer), that is compliance with the latent needs of customers, which means anticipating customers' needs, even before they are aware of them.

Almost 30 years ago, in connection with the further development and expansion of the concept of quality, with great foresight, Shoji Shiba, Alan Graham, and David Walden gave some hints on the possible direction regarding the evolution of quality. In accordance with the rapidly changing world, they found it very likely that the concept of quality will continue to evolve and expand. The authors mentioned 2 dimensions or levels of quality that are now becoming more widespread

and obvious, such as: 5) "fitness to corporate culture" and 6) "fitness to societal and global environment" (Shiba, Graham, & Walden, 1993).

These "fitnesses" (or "conformances") can be considered as the 5th and 6th levels of quality evolution. According to this, companies are increasingly making decisions about their operation and promoting themselves based on their corporate (organisational) culture. While there is also an increasing pressure on companies to improve the working environment of their employees and the environmental compliance of their products as well as manufacturing processes. This leads to an interpretation of quality that incorporates the needs of the natural and broader social environment in which the customers exist and live. Thus, according to today's interpretation of quality, environmental considerations and social responsibilities are part of the concept of quality. In this regard, commitment to environmental and social sustainability or to the environmental and social aspects of sustainable development are critical success factors for businesses.

Quality-oriented companies must be aware of, and address all fitnesses. This is because companies must take the different levels of quality into account, and in order to maintain and improve their competitiveness, the different fitnesses need to be integrated into their operations, which gives them the opportunity to distinguish themselves from others and gain competitive advantage over their rivals. The evolution of the concept of quality is, in fact, a continuous response and adaptation to the growing expectations of the society. In order to improve their competitiveness, companies must consider all the fitnesses that they should implement in parallel with regard to their operation. Companies that operate at a higher level in terms of various fitnesses, are able to adapt successfully (Shiba et al., 1993).

Similarly to the above, the change in the interpretation of quality is also represented by the concept of so-called "little q" and "big Q". The "little q" describes quality in a narrower sense, it basically focuses on product quality, and it sees quality as a technological or production problem. In contrast, "big Q" interprets quality in a broader sense, with a management focus, seeing quality in a more comprehensive and systematic way. According to West and Cianfrani (2018), "big Q" can be defined "as strategically managing quality in all business processes, products and services as they relate to all relevant interested parties". It is important to emphasize that these 2 approaches to quality are not mutually exclusive, but rather complementary to each other. The "big Q" concept includes the "little q" that focuses on product quality, and also includes organisational culture and also the consideration of stakeholders' expectations. As Cianfrani, Sheps, and West (2019) point out, the "big Q" represents a culture that addresses not only the product quality, but also that organisational. The goal is to achieve customer and other stakeholder satisfaction. If an organisation wants to remain competitive, it must meet the needs and expectations of all stakeholders. Within the context of changes taking place around the world, Saco (2008) introduced another approach

to the interpretation of quality, which he called the "really big Q". In Saco's view, the discourse on quality should be extended beyond product quality and quality management to issues related to sustainability and responsibility. This needs to be done so at a higher level, not just at the level of organisations or firms. This brings us to quality at the level of entire social system, where issues such as global warming, business ethics, ecosystem services, sustainable development or reciprocity, are addressed. The 3 approaches to the concept of quality ("little q", "big Q" and "really big Q") are complementary and reinforce each other, and thus, ensure the value that organisations can provide to stakeholders. In the course of the evolution of quality, the concept of quality has changed radically from the quality of products and services, through the quality of management, to the quality of life. It can be seen that the concept of quality has broadened in scope as it has evolved over time.

The future of quality

In the study published by the American Society for Quality (ASQ) in 2011, 8 factors were identified that will have significant influence on the future of quality in coming years. The identified forces of change that will shape the future of quality are as follows: 1) global responsibility, 2) consumer awareness, 3) globalisation, 4) the increasing rate of change, 5) the workforce of the future, 6) aging population, 7) 21st-century quality, and 8) innovation.

Global responsibility represents an increased awareness of social responsibility and global implications of local decisions. Global responsibility means an ethical mindset and behaviour at all levels of society (e.g., governments, corporations, NGOs, families and individuals) in which stakeholders increasingly understand the meaning of responsibility and are committed to enforcing it.

In the ASQ (2011) study, it is highlighted that in previous ASQ research on the future of quality, "environmental sustainability" was added to the list of key factors shaping the future of quality in 1999, while "environmental concerns" and "social responsibility" were included as key factors in 2008. These issues were raised to a higher level by introducing the concept of so-called "global responsibility" in the 2011 study. All this relates to the growing understanding of the relationship between individual and organisational decision-making and the sustainability of this planet. As a result, stakeholders have become increasingly aware of organisations' negative impact, and the commitment to social and environmental responsibility has become an imperative for organisations. Within this context, it is concluded that this has become essential for organisations to examine the potential consequences of their decisions on consumers, customers, employees, communities and the environment, as stakeholders' expectations go far beyond the quality of products and services,

with increasing attention paid to social and environmental influence created and generated by the organisations (ASQ, 2011).

The former is supported by the 2009 report of the Conference Board Quality Council. In the research report on the future of quality, it is noted that quality remains a key factor in maintaining the competitiveness of companies, while several trends and circumstances are forcing companies to redefine and communicate their values in order to keep pace with market needs. In the report, it is pointed out that today, a perfect product or service is no longer enough, which is actually a supposed requirement for success in the market. Quality is thought to be embedded in corporate processes and is taken for granted in several cases. At the same time, the environment in which quality must be achieved has changed dramatically. The world is transforming at an accelerating pace, and economic, social and environmental processes and contexts require greater understanding. In connection with these, the Conference Board Quality Council identified 4 primary trends that affect quality today and in the future. These trends are: 1) globalisation, 2) customer sophistication, 3) talent management and leadership issues, and 4) environmental concerns and social responsibility. These trends reflect the 8 forces of change that are shaping the future of quality as reported in the 2011 ASQ study.

The new dimension of quality requires professionals to go beyond previous approaches and practices. In order to adapt to the challenges posed by trends that affect organisational strategies and business results, they need to further develop their operations, especially in the field of strategic thinking. The report allows to emphasize the following with regard to environmental concerns and social responsibility. Environmental concerns are part of a larger trend toward Corporate Social Responsibility. In this context, the concept of "doing well by doing good" is becoming imperative for all organisations to incorporate in their business operations. It is highlighted that it is not just good citizenship but also, Corporate Social Responsibility drives bottom-line results which embrace growth and profit. Consumers are more and more frequently requiring companies to take reasonable steps to save our planet if they are to buy their products and services. In this respect, responsible corporate practices and behaviour greatly affect purchasing decisions (Gutner & Adams, 2009).

Regarding the evolution of quality, it can be said that quality has come a long way, from being an aspect of product to the quality of the enterprise itself. In connection with the future of quality, the 2011 ASQ study states that "whatever quality is today, it would surely evolve in response to the constellation of forces it joins in shaping the future" (ASQ, 2011).

In an essay, the Japanese quality guru Noriaki Kano emphasizes the importance of understanding the needs and expectations of stakeholders, while highlights the need for offering products or services that take into account not only the customer

but also the environment. In terms of quality, products and services are needed that consider the interactions between the organisation and its environment, given the expectations of consumers and the environment, in order to achieve development that does not leave a negative legacy for future generations (Kano, 2005).

The above are exemplified by the quality policy of Hungary's largest agricultural and food company (Table 1), which summarizes the stated intentions and directions of the company's top management related to quality and serves as a basis for defining the company's quality objectives. The main message of the quality policy is that the company declares its social responsibility and commitment to meet the needs and requirements of stakeholders. Acting and behaving in accordance with the intentions and directions included in the quality policy can contribute to an increase the competitiveness of the firm and to the promotion of sustainable development.

Table 1. Quality policy of the Bonafarm Group

Bonafarm Group as the largest food and agricultural group in the country, is committed to fulfilling the needs of its customers, consumers and other business partners at the highest level.
From farm to fork, we provide advanced technology and innovation for the food production, in order to be sure that only safe and excellent quality products are delivered to our customers and consumers.
Our operation complies with all the relevant national and international regulations, which are the fundamental guiders of our activities.
In our conviction, the respect of traditions, social responsibility and the protection of the environment are equally important.
Through our operation, we provide the conditions for sustainable development, we take responsibility for the environment and all values, resources that we use or hand on further.
The expectations for corporate and personal behaviour are incorporated in the Group's Code of Ethics.
We provide all our employees across the value chain with up-to-date knowledge, to achieve our goals through regular teaching and development.
The top management of the Bonafarm Group and its strategic partners is committed to developing and maintaining quality management, food safety and an environmental management system. We will carry out the requirements of the systems by setting an example and fully engaging every employee at all levels of the organisation.
Our quality policy applies to all Bonafarm Group and its strategic partner members and locations.

Source: (https://mcs.hu/wp-content/uploads/2018/02/qp.gif).

In conclusion, it may be stated that the evolution of quality actually represents the path towards sustainable development, but it could also be said that the essence of the path to sustainable development is expressed by the evolution of quality.

5.2. Corporate Social Responsibility challenges and recycling

A good example of management based on the circular economy idea is the Contenur group, an international provider of container systems for the selective collection of communal waste that has 5 production centres, 2 in Getafe, Spain, 1 in Mielec, Poland, 1 in Knowsley, U.K., and the 5th centre in Mandirituba, Brazil. The enterprise develops its promotion and service-providing activities through its own commercial subsidiaries in 14 countries and through distributors in further 41 countries. The company's mission is to design, manufacture, commercialise and maintain urban waste containers, that improve quality of live, sustainability and the appearance of towns and cities. One of the group's basic principles is to reduce the negative environmental impact of its actions by applying strict prevention and waste management policies, responsible use of materials and by establishing standardised environmental management systems for all its activities. The risks detected where environmental impact is concerned are: CO_2 emissions, waste generation, waste disposal and consumption of raw materials. Fulfilment of the principle has been proved by a number of certificates: Quality Management System Certification ISO 9001:2015, Environmental Management System Certification ISO 14001:2015, Health & Safety Management System Certification OHSAS 18001:2007, Energy Management System Certification ISO 50001:2018, Chain-of-Custody (CoC) Certification based on FSC standard, Chain-of-Custody (CoC) Certification based on the PEFC standard, Carbon Footprint Registration with the Spanish Climate Change Agency, Operation Clean Sweep® (OCS) Certification, Ecodesign Management System Certificate ISO 14006:2011. One of the key points in the enterprise's product development policy is to design products that are more and more environmentally-friendly, from the moment they are manufactured until they are made available to the customer and reused at the end of their working "life" (all components of containers can be recycled), as well as to develop products that help their customers improve their recycling rate and quality of recycled materials.

The company works on increasing the usage of recycled, high-density polyethylene in its production, which is rather unitary from a technological point of view, but requires a diversified policy to promote recycling. Although the technology of regenerated polyethylene consumption in the manufacturing process introduced in the Polish production plant established in Mielec in 2012 follows many years of experience, in the Spanish factory, the way of promoting products made of recycled material has to be different, as awareness of recycling importance in Poland is not at the same stage as in most EU countries. In many places in Europe, the usage of recycled materials in the product manufacturing process is one of the conditions

for participation in public tenders. The Contenur group positively responds to this requirement and participates in the Circle project. This is the concept combining and defining strategy, positioning, way of acting, obligations and development in the group's environmental sustainability policy. It applies to all elements that concern recommendations made by the European Commission regarding specific subjects and activities revolving around environmental sustainability as well as recycling plastic. The enterprise is working to create strategic alliances that enable change by raising awareness in society and reducing waste generation while, at the same time, encouraging people to recycle. Simultaneously, in Poland the enterprise faces tenders organised by public institutions that exclude containers even partly made of regenerated polyethylene. The reasons for that are not quite clear but it is usually justified by the product's high-quality requirement. Of course, such a justification does not seem to be correct, as high-end products can be manufactured if proper quality-control of materials, components, the production process and final products is provided, while the composition of materials is a subject to designer's decision. It may sometimes even appear that a product made of recycled material is of better quality than that produced of virgin polyethylene, depending on how the material and component purchasing process and final product manufacturing are managed. The approach of some Polish public organisations is difficult to understand as, at the same time, they purchase tools used in the recycling process (waste segregation containers) and question the sense of using recycled materials. Such situations force the Polish branch of Contenur to officially apply for change in tender specifications. One of the arguments used in such cases is that the public institutions actually exclude socially responsible companies that have invested in modern production systems that allow usage of regenerated polyethylene. Another argument comes from Urząd Zamówień Publicznych [Eng. The Polish Public Procurement Organisation], an independent unit within the government that plays a policy-making and coordinating role in the whole public procurement system for Poland, encouraging public institutions to promote green public procurement, meant as purchasing goods and services generating less negative environmental impact in their whole "life-cycle" if they provide the same functionality as other goods or services. Although that is still a remarkable challenge for the development of circular economy in Poland—it must be mentioned that the rate of public organisations that positively respond to the requests mentioned above, and in following tenders, never forbid regenerated polyethylene increases.

5.3. Education and convenient selective waste collection

Apart from providing products with "life-cycle" based on circular economy rules and offering expert advice on solutions optimal for citizens and the environment, Contenur believes that it is absolutely crucial to **motivate** people to actively participate in the selective waste collection process. Although penalty systems suggested by some authorities might be one of the options, the enterprise focuses on positive motivation, mainly by making waste segregation more **convenient** and by **educating** people on the importance of circular economy.

Easy access is provided when waste containers are equipped with openings dedicated to different fractions (glass, plastic and metal packaging or paper), or with foot pedals. Such solutions make users more willing to dispose of waste into bins dedicated to it rather than to just throw it into the nearest open unit, no matter its colour. Contenur has been promoting such equipment for many years by advertising and face-to-face presentations. The meaning of the possibility to keep one's clean hands while disposing waste into containers has further increased at the time of the COVID-19 pandemic. Citizens have become more aware of how important it is to use hygienic solutions, although here, the huge role of municipalities must be stressed.

Figure 1. Waste segregation containers with glass and paper openings and with foot pedals

Source: (Contenur, 2020).

A waste collector that has to be competitive to win a public tender will never increase costs of operations by purchasing additionally equipped products at its own will. It should be the municipality that expresses expectations towards functional equipment of waste containers. However, it is important to mention that when doing

so municipal clerks frequently make mistakes. One of them is avoiding discussion with solution providers on what options are possible. In such cases, equipment that is not available on the market frequently appears in tender specifications, which results in either lack of the possibility to obtain it, or generates enormous costs to develop special solution for 1 municipality. Another mistake is to consult the specifications with only 1 producer, which may sometimes result in remarkable limitations of the offer number, usually leading to pricing increases. The proper way to conduct the process of creating tender specification is to consult functional expectations with a number of providers and follow the advice that comes up in the majority of discussions.

Education on how to segregate waste, as an important element of circular economy, should be provided at a very early stage. Therefore, Contenur has joined the "Recycling+Education" (Rec-Edu) project initiated by Replas Recycling Plastics in Poland in 2019, in which a number of enterprises, foundations as well as municipalities take part. One of the aims is to support children and youth education about environmental protection as well as recycling. Contenur has manufactured, using regenerated polyethylene, sets of communal waste bins dedicated to the project that are being conveyed to selected educational institutions (project participants) in order to be used for education about waste segregation. Due to some delays caused by pandemic threat, the initiative is still at a rather early stage in 2021, with 10 schools in southern Poland provided with waste segregation bins, but with plans to get more educational institutions involved. Furthermore, the set of waste segregation bins dedicated to the project qualified for the 2nd stage of the 2020 "Product in Circulation" competition, initiated by the Polish Ministry of Climate and Environment, and organised by the Poznań International Fair (MTP Group).

Figure 2. Set of communal waste bins dedicated to the Rec-Edu project

Source: (Contenur, 2020).

Questions / tasks

1. Why is waste management a popular issue in political debate?
2. What should politicians and local authorities do to compromise between people's current needs and protection of the environment for future generations as far as waste is considered?
3. Why are the "green regulations" related to products made of recycled materials sometimes ignored in tender specifications?
4. What kind of innovative solutions could container manufacturers implement in communication to motivate people to segregate waste properly?
5. Identify the mission and vision of the Contenur Group. What are the producer's core values? Go to its website (both the corporate and Polish one) and answer the question: How does the company implement SDGs in:
   a) production;
   b) logistics;
   c) R&D;
   d) marketing and sales;
   e) HR;
   f) corporate governance
6. How would you convince B2B decision-makers to choose products made of recycled materials, and what doubts would you have to argue with
7. What actions could be taken by municipalities to motivate citizens to segregate waste properly? Is negative (penalties) or positive (education, functional solutions) motivation more efficient? How could authorities verify which solutions are efficient?

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