

Sustainable Strategic Management: Integration of Environmental Principles in Business Management

Suharto

Krisnadwipayana University, Jakarta, Indonesia

ARTICLE INFO

Keywords:
Strategic Management,
Sustainable,
Environment, Business
Management

ABSTRACT

Climate change, environmental degradation and sustainability demands are increasingly pressing companies to adopt environmentally friendly business practices. This research aims to explore and analyze the implementation of sustainable strategic management with a focus on the integration of environmental principles in business management. This research uses a qualitative approach with descriptive methods. The research results show that the integration of environmental principles in business management can make a significant contribution to corporate sustainability. By involving sustainable practices in all operational aspects, companies are able to reduce negative impacts on the environment, increase resource efficiency, and respond to increasing consumer demands regarding sustainability. In addition, employee involvement in sustainability initiatives and regular performance monitoring are also key factors in achieving holistic sustainability. Thus, the results of this research confirm that the application of environmental principles can provide long-term benefits, both for the company itself and for society and the environment at large.

Email :
suharto@unkris.ac.id

Copyright © 2023 MAR-Ekonomi.
All rights reserved is Licensed under a [Creative Commons Attribution-NonCommercial 4.0 International License \(CC BY-NC 4.0\)](https://creativecommons.org/licenses/by-nc/4.0/)

INTRODUCTION

In an increasingly complex and rapidly changing era, business sustainability has become a key focus for companies around the world. Climate change, environmental pressure, and societal demands for social responsibility encourage companies to develop holistic sustainability strategies (Hendro & Pranoyogo, 2023). Crucially, companies are not only faced with demands to achieve economic profits, but also to consider the environmental and social impacts of their operations (Ridwanto et al, 2023).

An effective sustainability strategy must cover economic, environmental and social aspects. In the economic aspect, companies need to consider ways to create long-term value, taking into account not only financial profits, but also the positive impact on stakeholders and society as a whole (Rahadian, 2016). On the environmental side, measures to reduce carbon footprint, resource efficiency and adoption of environmentally friendly technologies are becoming imperative. However, sustainability strategies must also include social dimensions, including employee welfare, responsibility towards the surrounding community, and participation in social justice initiatives (Putri et al, 2023). Companies that successfully combine these three aspects not only increase their competitiveness, but also contribute to solutions to global challenges such as climate change and social inequality (Harto et al., 2023).

In this view, companies are faced with broader responsibilities, not only related to achieving financial profits, but also with their impact on our planet and social welfare (Iskandar, 2016). Aspects that include sustainability involve managing natural resources wisely, considering energy efficiency, and reducing carbon footprints in order to minimize negative environmental impacts (Puspita, 2015).

However, sustainability is not just about reducing negative impacts; More than that, sustainability encourages companies to create a positive impact on society and the environment. This means that companies must not only avoid harmful practices, but also be proactive in supporting social justice, employee welfare, and taking part in initiatives that support local communities (Al-Mustaqim, 2023). Long-term profitability is directed by this awareness of sustainability, where companies that are able to integrate sustainability in their business models can achieve higher competitiveness and leave a positive legacy for future generations (Raharj & Rinawati, 2019).

In managing business sustainability, integration with environmental principles becomes an inevitable necessity (Priyoga, 2010). Environmental principles include a series of values and norms that support the protection and restoration of natural ecosystems, as well as reducing negative impacts on the environment. This integration involves companies' efforts to adapt their operations by prioritizing environmentally friendly business practices (Pambudhi & Ramadayanti, 2021).

The importance of incorporating environmental principles in business sustainability management becomes clear when companies design their policies, procedures and long-term strategies (Titisari, 2017). This can include the use of green technology, energy efficiency, sustainable waste management and the selection of more environmentally friendly raw materials. In addition, this integration requires a deep understanding of the product life cycle, from production to recycling, with the aim of reducing the company's ecological footprint (Andypratama, 2013).

More than just compliance with environmental regulations, the integration of environmental principles reflects a company's commitment to acting as a responsible citizen towards the planet (Kapisan & Suharto, 2020). By integrating these principles into business sustainability, companies not only protect natural resources and ecosystems, but also create long-term, sustainable value for themselves and society as a whole. In other words, the integration of environmental principles becomes the foundation for companies that are future-oriented and committed to their positive role in maintaining the sustainability of the planet.

This research aims to explore the implementation of sustainable strategic management with a focus on the integration of environmental principles in business management. The benefits of this research involve contributing to the sustainability literature by enriching the theoretical understanding of the integration of environmental principles in the context of strategic management. In practical terms, the research results are expected to provide valuable insights for business practitioners, help them make more sustainable decisions, increase company competitiveness, and ultimately create a long-term positive impact on society and the environment.

METHOD

The method applied in this research is qualitative with a descriptive approach. According to Yulianah (2022), qualitative research can be considered a naturalistic research method because it is carried out in natural conditions (natural settings). This research is called a qualitative method because the data collected and the analysis is more qualitative in nature. The choice to use a qualitative approach was based on the consideration that this research aims to explore information and facts directly from informants in the circumstances as they are. This approach allows researchers to collect data in the form of facts expressed by informants, according to their perspective and language. Therefore, research provides wide freedom to informants, ensuring that all the information they convey can be revealed comprehensively and holistically.

RESULTS AND DISCUSSION

Business sustainability has now become a necessity that cannot be ignored, but rather an urgent obligation. One of the main drivers for prioritizing sustainability is the positive response from consumers (Suharto, 2020). Consumers' increasing awareness of environmental and social issues encourages them to choose products and services from companies that have a real commitment to sustainability. Along with this, companies are not only expected to meet consumer demands but also to comply with increasingly stringent government regulations related to environmental issues and social justice (Nahda & Harjito, 2011).

Increasingly stringent government regulations are the second driving factor that strengthens the urgency of business sustainability. Changes in these regulations force companies to adapt their business practices to align with higher standards regarding sustainability (Al-Aidhi et al, 2023). Non-compliance with these regulations can potentially result in sanctions and serious reputational impacts for the company. Therefore, companies need to adapt their business strategies to ensure compliance with applicable regulations (Sutaguna et al, 2023).

In addition, increasing business risks are a serious concern for companies. Factors such as climate change, instability in energy supplies, and social problems can threaten business continuity (Fernando, 2023). Companies that do not account for and manage these risks can face serious challenges in maintaining their operations. Therefore, business sustainability is not only about meeting market and regulatory demands, but is also a proactive strategy to protect and increase the company's resilience in facing external uncertainty (Subyantoro & Suwanto, 2020). In this context, sustainability is not just an option, but a necessity to survive and develop in an ever-changing business world.

Managing business sustainability through integration with environmental principles requires a holistic approach that covers various aspects of the business. Here are some ways to successfully integrate environmental principles in business sustainability management:

1. Environmental Audit

First of all, a critical step in managing business sustainability through the integration of environmental principles is to conduct a comprehensive environmental audit. This process involves collecting and evaluating data related to the environmental impact of all company operations. In this case, companies can identify the resources used, waste produced, and emissions produced during the production process. The audit results provide a comprehensive picture of the company's environmental footprint and enable management to determine priority areas for improvement and development of more effective sustainability policies.

Furthermore, environmental audits also facilitate a better understanding of the risks and opportunities associated with environmental aspects. With this in-depth understanding, companies can design sustainability policies and strategies that are more relevant and focus on efforts to mitigate significant environmental impacts. Environmental audits are not only an evaluation tool, but also a foundation for the development of innovative solutions that can improve a company's environmental performance. Therefore, this stage is an essential first step in the journey towards environmentally responsible business sustainability.

2. Environmental Policy Formation

After going through the environmental audit stage, the next step in managing business sustainability through the integration of environmental principles is the formation of a strong and committed environmental policy. This policy must reflect the company's values regarding sustainability and provide concrete direction regarding the steps to be taken to reduce environmental impacts. A good environmental policy must include a commitment to comply with

applicable regulations, adopt environmentally friendly business practices, and pay attention to sustainability in the company's strategic decision making.

In addition, environmental policies must be able to be measured and assessed periodically. Setting concrete targets for carbon emissions reduction, waste management, or use of specific resources can help companies track their progress. Continuous performance monitoring and open reporting regarding the achievement of sustainability goals provide transparency to stakeholders and strengthen the company's commitment to environmental principles. With a clear and measurable environmental policy, companies can ensure that their sustainability measures are in line with the company's mission and vision and make a significant contribution to environmental stewardship.

3. Integration in Supply Chain

The third step in managing business sustainability through the integration of environmental principles is to ensure that these principles are well integrated throughout the company's supply chain. This involves working closely with business partners and suppliers to ensure that the entire supply chain moves towards greater sustainability. Selecting suppliers who are committed to sustainable practices and reducing environmental impact is crucial. Companies need to identify business partners who align with their environmental values to ensure that sustainability policies and practices can be adopted consistently throughout the supply chain.

Furthermore, companies can introduce sustainable initiatives in terms of logistics and distribution. This involves reducing carbon emissions during the shipping process, increasing efficiency in inventory management, and selecting more environmentally friendly transportation methods. By integrating environmental principles in the supply chain, companies can create a more positive impact overall and encourage sustainable practices in the industry at large.

4. Product and Service Innovation

Fourth, product and service innovation is a strategic basis for managing business sustainability through integration with environmental principles. Companies need to design their products and services with environmental impacts in mind throughout their life cycle. This can include using environmentally friendly raw materials, designing products that can be recycled, and reducing waste produced. Innovation may also include developing products that help consumers adopt sustainable lifestyles or technologies that support energy efficiency.

Additionally, companies can take advantage of innovation opportunities in their business models. For example, sharing or rental-based business models can help reduce overall resource consumption. The integration of environmental principles in product and service innovation is not only about meeting increasingly sustainable market demands, but also opening up new opportunities and increasing competitive advantage. Companies that successfully combine innovation and sustainability can achieve significant differentiation in the market and respond to the needs of customers who are increasingly aware of their environmental impact.

5. Energy Efficiency and Resource Use

The fifth step in managing business sustainability through integration with environmental principles is to focus efforts on energy efficiency and resource use. Companies can adopt green technologies, such as renewable energy systems or energy-saving technologies, to reduce their energy consumption. Increasing efficiency in the use of resources, including raw materials and water, is also a key step to reduce a company's environmental impact.

Furthermore, companies can implement more effective waste management practices, including recycling and reusing materials. In this way, companies not only reduce their carbon footprint but also reduce their impact on the environment through reducing waste that ends up in landfills. Implementing energy efficiency practices and sustainable use of resources not only

contributes to overall business sustainability but can also result in long-term cost savings and improve a company's reputation for environmental responsibility.

6. Education and Engaging Employees

The sixth step in managing business sustainability through integration with environmental principles is involving and empowering employees. Employee education and awareness are key elements for creating a sustainable company culture. Companies can organize regular training on sustainable practices, share the latest information on environmental issues, and invite employees to participate in sustainability initiatives. By understanding the direct impact of their activities on the environment, employees can play an active role in implementing positive changes in the workplace.

Furthermore, companies can encourage employee participation in innovative ideas to improve sustainability. Opening open lines of communication between management and employees can create an environment where sustainable ideas can be proposed and implemented. Involving employees in the decision-making process and giving them responsibility for creating positive change can motivate them to adopt sustainable behaviors and practices. Thus, involving employees not only builds awareness of environmental issues but also creates a climate where sustainability principles become an integral part of corporate culture.

7. Monitoring and Reporting

The seventh step in managing business sustainability through integration with environmental principles is the implementation of an effective monitoring and reporting system. Companies need to have mechanisms to continuously monitor their environmental performance on a regular basis. This can involve using technology to collect real-time data regarding energy consumption, waste, emissions and other environmental aspects. Continuous monitoring allows companies to identify changing trends, measure progress against sustainability goals, and identify areas requiring improvement.

Additionally, open and transparent reporting on sustainability initiatives and goal achievement is essential. Companies can prepare an annual sustainability report that includes targets achieved, challenges faced, and plans for the future. This reporting not only provides information to stakeholders, such as customers, investors and the public, but can also be a tool for building trust and a company's reputation in terms of environmental responsibility. With effective monitoring and reporting, companies can ensure accountability for environmental principles and provide a clear picture of their sustainability efforts to the entire business community.

By embracing and integrating environmental principles thoroughly in business management, companies pave the way towards sustainability in line with environmental values. Awareness of the impact of business on ecosystems and society is the main driver in this journey. Through environmental audits, the establishment of measurable policies, integration in the supply chain, product innovation, energy efficiency, employee involvement, continuous monitoring, and participation in external initiatives, companies can establish a responsible and sustainable business culture. Thus, sustainability is no longer just a goal, but is a prerequisite for better business continuity in the long term. Companies that adopt this holistic approach not only meet market and regulatory demands, but also create long-term value. Sustainability is not just a business strategy, but a commitment to protecting and enriching the environment and society. By continuing to develop and implement sustainable measures, companies can become agents of positive change and make a meaningful contribution to maintaining the sustainability of the planet.

CONCLUSION

Managing business sustainability through the integration of environmental principles is a strategic step that not only supports the long-term sustainability of companies but also strengthens their involvement in global issues related to the environment. By conducting environmental audits, establishing measurable policies, integration in the supply chain, product innovation, energy efficiency, employee involvement, continuous monitoring, and participation in external initiatives, companies can create a more sustainable business culture. Increased consumer awareness, changing government regulations, and increasingly complex business risks are the main drivers for taking sustainability steps. By integrating environmental principles, companies not only adapt to market and legal demands, but also create long-term value. Sustainability is no longer just an option, but rather a necessity, which is the foundation for companies to not only survive, but also become agents of positive change in maintaining the sustainability of this planet. With a commitment to environmental principles, companies can shape a more sustainable future, meet the demands of increasingly environmentally conscious consumers, and have a positive impact on society and the environment as a whole.

REFERENCES

1. Al Aidhi, A., Harahap, M. A. K., Rukmana, A. Y., & Bakri, A. A. (2023). Peningkatan Daya Saing Ekonomi melalui peranan Inovasi. *Jurnal Multidisiplin West Science*, 2(02), 118-134.
2. Al Mustaqim, D. (2023). Strategi Pengembangan Pariwisata Halal Sebagai Pendorong Ekonomi Berkelanjutan Berbasis Maqashid Syariah. *AB-JOIEC: Al-Bahjah Journal of Islamic Economics*, 1(1), 26-43.
3. Andypratama, L. W. (2013). Penerapan Prinsip-prinsip Good Corporate Governance pada perusahaan keluarga: studi deskriptif pada distributor makanan. *Agora*, 1(1), 141-151.
4. Fernando, R. (2023). Dampak Perubahan Iklim Terhadap Bisnis dan Investasi di Tahun 2023: Strategi Adaptasi dan Mitigasi. *Circle Archive*, 1(2).
5. Harto, B., Pramuditha, P., Dwijayanti, A., Parlina, L., & Sofyan, H. (2023). Strategi Bisnis Berkelanjutan Melalui Inovasi Model Operasional Di Era Digitalisasi Bisnis. *ATRBIS: Jurnal Administrasi Bisnis*, 9(2), 243-251.
6. Hendro, J., & Pranogyo, A. B. (2023). Inovasi Berkelanjutan: ESG Initiatives Untuk Masa Depan Yang Bertanggung Jawab. *Jurnal Ilmu Sosial, Manajemen, Akuntansi dan Bisnis*, 4(4), 135-147.
7. Iskandar, I. (2016, March). Pengaruh Penerapan Corporate Social Responsibility terhadap Profitabilitas Perusahaan. In *Forum Ekonomi* (Vol. 18, No. 1).
8. Kapisan, M. N., & Suharto, I. K. S. (2020). Relationship of Leadership and Competence with Organizational Performance: Organizational Commitments as Mediation Variables in Pt. Bhakti Nusantara Gas.
9. Nahda, K., & Harjito, D. A. (2011). Pengaruh corporate social responsibility terhadap nilai perusahaan dengan corporate governance sebagai variabel moderasi. *Jurnal Siasat Bisnis*, 15(1).
10. Pambudhi, H. D., & Ramadayanti, E. (2021). Menilai kembali politik hukum perlindungan lingkungan dalam uu cipta kerja untuk mendukung keberlanjutan ekologis. *Jurnal Hukum Lingkungan Indonesia*, 7(2), 297-322.
11. Priyoga, I. (2010). Desain Berkelanjutan (Sustainable Design). *Dinamika Sains*, 8(16).
12. Puspita, M. (2015). Orporate Social Responsibility: Implikasi Stakeholder Dan Legitimacy Gap Dalam Peningkatan Kinerja Perusahaan. *Parsimonia-Jurnal Ekonomi dan Bisnis*, 2(1), 89-109.

13. Putri, Y. A., Sulbahri, R. A., & Kusuma, G. S. M. (2023). Pengaruh Strategi Green Marketing Terhadap Kinerja Keuangan Dan Non-Keuangan Perusahaan. *Akuntansi Dan Manajemen*, 18(1), 33-50.
14. Rahadian, A. H. (2016, February). Strategi pembangunan berkelanjutan. In *Prosiding Seminar STIAMI* (Vol. 3, No. 1, pp. 46-56).
15. Raharjo, T. W., & Rinawati, H. S. (2019). *Penguatan Strategi Pemasaran dan Daya Saing UMKM Berbasis Kemitraan Desa Wisata*. Jakad Media Publishing.
16. Ridwanto, R., Misbach, I., & Siradjuddin, S. (2023). Urgensi Pelaksanaan Corporate Social Responsibility Pada Perusahaan Di Indonesia Perspektif Ekonomi Islam: Sebuah Meta-Sintesis. *Jurnal Mirai Management*, 8(3).
17. Subyantoro, A., & Suwanto, F. X. (2020). *Manajemen Sumber Daya Manusia Strategi*. Penerbit Andi.
18. Suharto, S. (2020). the Effect of Organizational Culture, Leadership Style, Whistleblowing Systems, and Know Your Employee on Fraud Prevention in Sharia Banking. *Asia Pacific Fraud Journal*, 5(1), 108-117.
19. Sutaguna, I. N. T., Par, S. S., Par, M., Winanto Nawarcono, S. E., Andayani, S. U., Sos, S., ... & Seneru, W. (2023). *MANAJEMEN STRATEGI BISNIS*. Cendikia Mulia Mandiri.
20. Titisari, K. H. (2017). Praktek Corporate Social Responsibility (CSR) Di Perusahaan Multinasional. *Riset Akuntansi dan Keuangan Indonesia*, 2(1), 19-26.
21. Yulianah, S. E. (2022). *Metodelogi Penelitian Sosial*. CV Rey Media Grafika.