CORPORATE-SOCIAL RESPONSIBILITY FOR SUCCESSFUL IN BUSINESS AND LIFE AMENDMENTS

Akademik prof. dr Ibrahim Jusufranić, email: rektor@iu-travnik.com
Akademik prof. dr Rade Biočanin, email: rbiocanin@np.ac.rs
International University Travnik in Travnik

Abstract: *The basic rule of corporate governance in the company is that ownership is separate from management, and equity, accountability and transparency in business activities are highlighted. Corporate social responsibility of business entities is already important today, and it is certain that in the future it will become even more relevant. Management structures through the rules and procedures, concretize the rights and obligations of all participants in the management chain, while respecting the principles that are in the interests of the company and the company. An essential element of the free market is the transparency and availability of socially relevant information, upon which other parties, i.e. stakeholders may form their opinions and attitudes and make final decisions concerning their behaviour. In this respect, promoting companies' social goals must be a continuous process, by which a lasting dedication to socially responsible business activities is explicitly expressed, and not just the completion of some „ad hoc" activities. In this paper, the authors monitor and analyze the necessity of applying the modern concept of corporate governance and social responsibility, in the function of achieving business excellence goals, i.e. improvement of working and living environment.*
Key words: *corporate governance, social responsibility, productivity, efficiency, competitiveness, business quality, benefits of application*

Introduction

Production is a basic area of human activity. There are a number of definitions of production adapted to different fields of production. Production is a purposeful activity aimed at obtaining useful values and appropriation of natural resources for human needs, which means that it is a general condition for the exchange of matter between man and nature, or an eternal natural condition for human life, and is therefore equally characteristic of all forms of human society. Manufacturing is a focused activity, which aims to obtain products useful to society whose structure varies widely in both type and quality and quantity. Industrial production should, wherever possible, work on as many batches of the same products as possible. Individual production involves a small number of pieces with minimal technological preparation. Batch production involves the production of multiple pieces of the same type and technological elaboration is more detailed.
Mass production involves a very narrow range of products that are made over a long period of time and technological preparation goes into the smallest detail. Any setback or correction during production significantly affects the cost of production and therefore the price of the finished product.
In a typical business firm (which produces eco-principles), there are three types of organization:

1. The corporate strategy explains the overall development direction of the company and its relationship to the growth and management of various businesses and product lines.
2. A business strategy is adopted at the business unit or product level and seeks to enhance the competitive position of the corporation's products and services in a specific branch or in the specific markets addressed by that psalm unit.
3. A functional strategy is tied to the functional area and is established to meet the goals and strategies while maximizing resource productivity.

1. Technical and technological systems

Technology encompasses the skill, knowledge and ability to use products and make useful things / assets / objects / objects. It encompasses the means, equipment, manners, and tools that result from this conscious human effort to "survive" and then to satisfy the worlds and needs of others. In fact, technology is the organization of knowledge to achieve practical goals.
The technology can be seen as a projected unit, which entails all potential potential applications. The potentials of technology are expressed through an appropriate critical set of relevant characteristics inherent in that technology and in this general interpretation technology is seen as a macro phenomenon.

Strategic technology management is accomplished through the following steps:

1. Analysis of relevant technological factors,

2. Creating a technology strategy,
3. Implementation of technological strategy,
4. Performance appraisal and control.

The three core activities of technology are: process technology, product technology and IT technology. The types of resources they use differ: Information Technology (IT), Traditional Manufacturing Technology (TPT), Modern Manufacturing Technology (SPT)

Product Technology Elements:

- Product Planning - begins with identifying consumer needs, identifying product features that will meet consumer needs, and at the same time providing the necessary value for money for an appropriate volume of production that will generate profits;
- Product Engineering - Starts with the existing design and technology of product design and in accordance with the requirements for new or modified products, considers the possibilities of new product solutions that would satisfy customers in terms of performance, quality, cost (price);
- Applied Engineering - enhancing sales or meeting customer specific requirements, tailoring products to meet these perceived requirements and demonstrating to the public, consumers the utility and new features as product benefits;

Field and Service Engineering - Development of systems and processes to support field construction, installation, maintenance and repair, product servicing.

Process technology connects six key elements: material, equipment and tools, material transportation, production systems, quality control, maintenance.

Elements and specifics of it technology:

- Information hardware and software - embrace the physical and intellectual principles embedded in the performance of information technology;
- Information systems implemented - include system configuration, hardware, operating systems, software and communication protocols that are designed for very specific applications;
- Connection with physical processes - includes hardware, software and physical understanding that links physical events and changes to the information system (linking humans, machines and materials with artificial intelligence, expert systems);
- Decision support systems - can provide advancement in the efficiency and performance of executives, which is a significant strategic advantage;
- Business information systems - represents a new form of goods and services that can be offered through the creative application of new information processing capabilities;

Divide technologies by resources they use:

- Information Technology (IT) whose primary resources are information that they process;
- Traditional Manufacturing Technologies (TPT) process physical resources include traditional manufacturing equipment;

- Hybrid technologies / advanced production technologies (SPTs) process physical resources under the control of automated information systems, including flexible manufacturing systems (FPS), robots, automated factories.

Differences in information technology compared to traditional:

- that information as a commodity is indivisible in production;
- that information as a commodity and as a resource cannot be appropriated.

Elements of the Technology Package: Technology " know how ", Energy, Equipment (machines, tools, devices ...), Materials, Organization, Management, Human work, Buildings, Eco-protection measures and products, Products (services).

The direct link between the technology and the organization's strategy is conditioned by:

- the changing role of technology in today's tougher competition in markets that are increasingly recognizing technology, at the root of all operations within an organization;
- with the advent of new, information-communication and modern production technologies that have new properties in relation to traditional ones, which affects all aspects and dimensions of an organization, and in particular its strategy.

Figure 1. Metal industry dominant in economic development

There are three approaches to understanding the strategic position of technology and technological innovation:

- Technology push starts from the classic postulates on the primary role of R&D in the process of technological innovation. This approach is based on the thesis that it is sufficient to ensure a successful business development research activity that will generate new inventions, and everything else goes without saying. This model can simply be shown schematically;
- Market pull has evolved with a growing need to respect the market, customers as the end-user of all directional efforts in the company to create new value in the form of service products. The market-oriented approach starts from the primary role of the market in which the needs of customers are researched and identified, so in the next step projects of development of new technologies that are applied in practice, provide new value in the form of products-services that meet the needs of customers, for which there is a real demand on the market;

- Strategy pull is based on the principles of strategic management that take into account the specifics of the macro and micro environment of the company, as well as internal factors - resources, abilities and competencies, emphasizing the importance of creating, implementing and constantly reviewing the strategy in the conditions of marked dynamics and constant changes that characterize the business of contemporary firms . The possibility to combine the technology push and marketing pull strategies is taken into account here.

2. Corporate social responsibility

Corporate Social Responsibility (CSR) refers to an organization's commitment to ethical behavior and to contributing to socio-economic development, while showing respect for people, the community, society and the environment. This specific responsibility is the commitment of the company to contribute to the sustainability of economic development, working with employees, families, the local community and society to improve the quality and innovation of products and secure placement in an increasingly vibrant market. Being socially responsible does not only mean fulfilling legal obligations, but going further and investing even more in human and economic capital, the environment and relations with all stakeholders, ie. with employees, shareholders, customers, suppliers, competitors, the local community, government and NGOs.

The mission of the organization is the goal or reasons for the existence of the organization. It reflects what the organization provides to society in the form of new value, which it creates as a service or physical product-commodity.

Objectives are the end results of planned activities that define what and when should be achieved and, wherever possible, quantified. As with the mission, goals can be outlined, or quite precisely when the desired result is most often quantified.

The strategy as the development direction of the organization is a long-term development plan that effectively manages the opportunities and dangers of the environment, in accordance with the strengths and weaknesses and as internal factors of the organization itself.

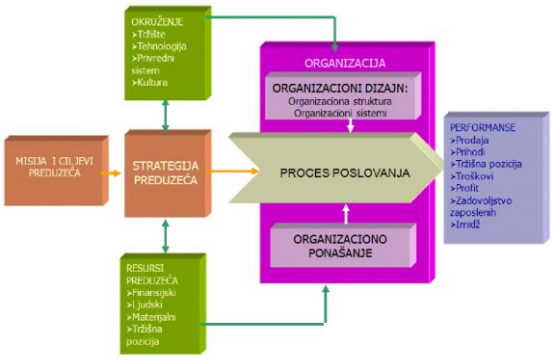

Figure 2. Contemporary Company / Enterprise Organization Model

Who and what are the companies / companies responsible for?

There are two answers here:

The first gave the so-called. The classic theory of stockholder theory and, according to it, the primary responsibility is the

responsibility that they have towards the owners (shareholders), and profit making is the main goal of the business.

On the other hand, representatives of stakeholder theory believe that a company has a responsibility to all those who in some way affect its activities, that is, to individuals and groups that bear a certain risk (stake) of the business.

According to the understanding of the "social performance of the company", the activities shape economic, legal and ethical principles. Managers' decisions can reflect one of four attitudes toward CSR:

The first is reactive - a company responds to a strategic issue only when it is opposed to its goals.

The second is defensive - the company reacts to respond to the request.

Third, he is biased - the company takes the same position as public opinion.

The fourth is proactive - the company anticipates requirements that have not yet been made.

Resources are strategically tested with:

- value - in relation to the competitive advantage criterion it brings;
- rarity - availability of resources to competitors;
- imitability - how difficult and expensive it is for others to imitate a resource;
- organization - organizational readiness and ability to make full use of the resource.

Features: Durability of expressive competencies, Transferability, Imitability of expressive competencies, Ease of replication, and Transparency

The value chain for a physical product is represented as follows:

Raw Materials -> Primary Processing -> Processing -> Production of the End Product -> Distribution -> Sales

Model SEDAM-S, named after the initial letters of English words, should be noted here:

- strategy - a course of action that gives priority to competitors while enhancing appropriate resources;
- structure (organizational structure) in defining the division of tasks and responsibilities;
- systems (systems) - input-output flows and processes by which all activities that take place in an organization (information, production) can be represented;
- style - an objective view of all those categories that are considered significant in the organization, primarily related to personnel, management of the organization;
- staff - people in the organization, it is recommended that they be viewed in the right way as a whole, structurally and dynamically by constantly monitoring all changes related to them;
- skills - the ability and potential of the organization as a whole, which is not a simple sum of individual abilities and skills;
- shared values - values that stand out above all others in the organization.

Integrative Business Model - BIM, which lists strategy, people, technology and business processes as key domains of an organization:

- Strategy - defining competitive, market strategy, business,

organizational and technological strategies;

- People - all formal organizational structures, job content, personnel management, leadership and style;
- Technology - refers to telecommunications and networks, expert systems, the introduction of information technology;
- Business Processes - involves key process definitions, defining outputs, workflows ...

Components (sources) of competence of the organization:

- managerial competencies and strategic focus,
- resource-based competencies,
- competencies based on transformations,
- output-based competence,
- competencies in pursuing technological cooperation, networks and alliances with the environment.

Organizational lifecycle stages:

- New venture - Establishing a new business or entrepreneurial venture. Critical management activities consist in identifying and preparing the market for product placement, while refining the product to market requirements;
- Expansion - occurs abruptly and causes very rapid development, as the previous phase ended successfully. Sales are increasing, the number of employees and capacities engaged;
- Professionalization and integration - moving to a new regime of organizing the work of the company as a whole, there are significant changes caused by the growth and development of the venture;
- Consolidation - There is a need to improve organizational culture. The venture needs to be understood in the right way, fully adopted and accepted by all employees;
- Diversification - the business is enriched and expanded, thus extending the life of the business;
- Decline and revitalization - decline is recognized through aging, fatigue, the absence of new ideas. As a result, businesses have to react to make a revival. Another possibility is decay. The strategies that are possible at this stage are: liquidation, portfolio restructuring, multinational diversification, corporate diversion ....

The growth and development strategy relies on various collaboration and networking opportunities between companies:

- Merger - A transaction in which two or more companies that exchange shares, own capital, but only one company survives;
- Acquisition - the acquisition of a company / business, which is fully absorbed as a branch;
- Strategic Alliance - A partnership of two or more companies or business units to achieve strategically significant goals, all of which benefit;
- Licensing - a form of technology transfer, where the licensing firm gives another firm the rights to produce the product;

- Franchise - A form of expansion through a franchise agreement, under which the franchisor provides another company to set up a business unit using the franchisor's name and operating systems. In turn, the franchisor pays the franchisor a percentage of the sale as a royalty ...

Figure 3. Comparative models of circular economy

3. Environmental protection in the future

World Environment Education Day is celebrated worldwide today to highlight the role and importance of knowledge and awareness raising in achieving a better quality of life and preserving the planet's natural resources. Companies and larger companies and institutions today emphasize more than ever before that continuing education from the youngest age is crucial for raising public awareness, enabling people to learn to identify and solve environmental problems that affect health and quality. citizens' environment. Ecological education acquires knowledge that helps to understand the eco-processes and to recognize the problems that the modern way of life brings, their pernicious impact on the safety and health of people, as well as the state and survival of the entire nature of which man is an integral part. EU regulations on environmental protection in the broadest sense are numerous and varied. They include several basic categories according to which they are classified: climate change, sustainable development, waste management, air pollution, water management, conservation of nature and diversity of plant and animal species, soil protection, population protection, noise and vibration protection, protection against EM radiation, the fight against NHB terrorism and the like. Corporate social responsibility in the field of environmental protection includes the process of production or use of energy for carrying out activities where priority is given to renewable energy sources. Socially responsible companies use materials and raw materials that are less harmful to the environment, respect the standards of organic production and waste management. They use more efficient production systems that consume less energy and do not pollute the environment. Recycling and reuse of products and raw materials are also an important segment of CSR when it comes to environmental protection. When it comes to non-production companies, they can, besides using renewable energy sources, boost the manufacturing industry by favoring the products of those companies that promote and operate in accordance with environmental standards. In addition, all companies-companies can support public and private projects in this field, both through direct funding and through volunteering. In doing so, environmental protection can also have concrete economic

benefits[81]. However, although the legal framework for environmental protection appears to be well established, the implementation of the regulations does not work as intended. The best evidence of this is environmental accidents, most often those related to inadequate transport or storage of hazardous substances and wastes, as well as illicit emissions into water systems and the atmosphere, which have very serious consequences for the environment, but also for safety and human health. . Environmental issues go far beyond the (non) application of regulations in this area, so e.g. due to corruption of the state administration and local self-government, they are increasingly able to see situations where construction permits are being obtained in places where this is not allowed. The non-implementation of the law also led to the fact that in most of these situations the responsible persons did not suffer legal consequences. What the citizens say in a survey conducted by the Smart Collective highlights the great need for socially responsible business for companies, which citizens unfortunately do not see sufficiently: As many as 81% of citizens believe that health would be preserved and quality of life improved if most companies / businesses operated socially responsible. Specifically, this would mean that 73% of citizens would sooner shop at a CSR store, even if the prices were slightly higher, or that 68% of citizens would sooner use CSR services, even if they were spatially distant . As employees, citizens value corporate social responsibility even more than consumers, because 87% of citizens would sooner work in a socially responsible company, even if the cash benefits / salaries of that company are slightly lower. For 80% of citizens, the condition that they consider a company socially responsible is that it cares about the health and safety of employees at work. For 78% of citizens, the requirement that they consider a company socially responsible is that it provides consumers with true and complete product information. Also, for 80% of citizens the condition that they consider a company socially responsible is that it cares about the environment. In contrast, for 55% of citizens, the condition that they consider a company socially responsible is that it donates money to charity. This shows that the citizens of the region distinguish corporate social responsibility from corporate philanthropy, which is a small part of CSR. What citizens would like to see from their economy, however, is in stark contrast to how they actually perceive the behavior of companies. Thus, only 16% of citizens think that companies in the region are socially responsible, and only 8% of citizens think that companies are truly responsible to their employees.

Product life cycle management is characterized by:

- The product life cycle represents the stages through which the product goes through its life;

[81]E.g. reducing energy and materials invested automatically increases competitiveness in the market and lowers the price of products, which increases the company's profits. The use of cheaper recycled raw materials can reduce the cost of production, and companies that introduce innovative, modern technologies to reduce their environmental impact will have a significantly higher number of attractive jobs and will be able to be more competitive in the job market in attracting better quality job candidates.

- A product life cycle (PLC) is a useful concept that explains how a product evolves, introduces, grows, matures, and declines;
- The product life cycle consists of five phases / steps: development, introduction, growth, maturity and decline.

Eco - risk mapping in companies / enterprises should be realized with the use of innovative GIS and BIM tools. It is an effective model of human and material resource management in the stages of identification, analysis (evaluation) and evaluation of the NHB et al. risk. The tool provides a more functional "response" in order to reduce the impact (impact) on human health and lives, material resources and local self-government. It is directly proportional to losses and risk level x = c / y (higher investments, lower losses and risk level, I to VII). Mapping and visualizing quantitative and qualitative risk data.

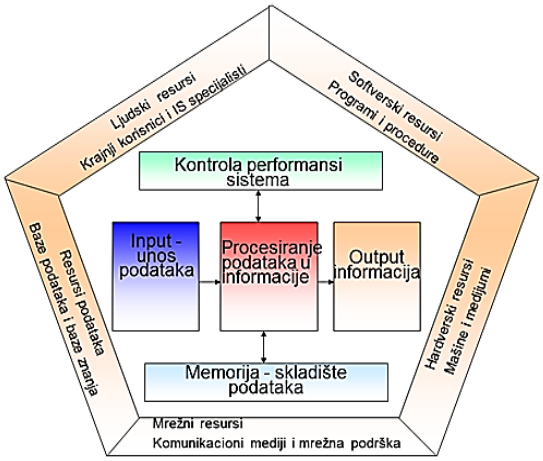

Figure 5. IS components and activities in eco-production

Conclusion

Today, in a modern society, company / company employees are ready to take the initiative and identify their goals with corporate social responsibility, if there is concern for employees who are educated, promoted, motivated and informed on a continuous basis.

The ability of an organization to take care of employees depends on recognizing the importance of the concept of internal marketing, but at the same time on the level of development of emotional intelligence of managers. It is important, but not enough, for all citizens, especially decision-makers, to understand what it means and how environmental improvement is achieved. When I talk about what we have achieved and want to achieve, I am sure many understand me, but not enough to feel the seriousness and complexity of the problem. In addition to understanding, we also need a personal conviction that we all feel the need and responsibility to protect the environment and nature for ourselves, for our family and for the future, ”he emphasized on the occasion of World Environment Education Day. Without environmental education there is no healthy environment. The basis for this is a change in behavior and an active attitude to the challenges of recognizing and solving numerous environmental problems. Each of us, with greater knowledge and awareness of what threats in the environment are and how to deal with them, will be encouraged to be active, to make our own personal contribution to environmental protection. Environmental education ensures the future of future generations and the preservation of the planet. Security and Ethical Issues Imposed by DNA Technology: These are

the paradoxes of power and humanity: the possibilities of science and technology are enormous, but the human temptations in their application also. The sciences today are more troublesome and troubling than soothing human beings.

Literature

[1] Asotić M., Biočanin R. Osnovne postavke savremenog društva, Naučno-stručni časopis "PHERM-HEALTH" br. 1, Farmaceutsko-zdravstveni fakultet Travnik, Travnik, 2013.

[2] Biočanin R., Obhođaš S., Badić M. Ekonomsko-energetska influenca-reinženjering i paradigma približavanja Evropskoj uniji, I Simpozijum inovacionB&H istraživanja, Palata Srbije, 27-28. septembra 2011. Beograd.

[3] Biočanin R., Škrbić V. Ekološka bezbednost i održivi razvoj kao uslov za evropske integracije, NUBL, Banja Luka, 2011.

[4] Biočanin R., Alić R., Borovčanin J., Badić M. Predmet naučnog posmatranja eko-zakonitosti i problema u uslovima globalizacije, IV Srpski kongres geografa sa međ. učešćem "Dostignuća, aktuelnosti i izazovi geografske nauke i prakse" Kopaonik -2015.

[5] Biočanin R., Čordaš D., Milešević T., Badić M. Koncept ekološke bezbednosti regiona, kao determinante održivog razvoja, Konferencija sa Međ.učešćem „*Reindustrijalizacija i ruralni razvoj Srbije sa akcentom na Kruševac i Rasinski okrug*", 01-02. april 2016. Ribarska Banja.

[6] Jusufranić I. Menadžerska ekonomija, Internacionalni univerzitet Travnik, Travnik.

[7] Jusufranić I., Biočanin R., Borojević K. Innovation requirements in sustainable agriculture with the application of contemporary biotechnology, Российская академия наук ФГБОУ ВО «Воронежский государственный технический университет», Воронеж, 2017. УДК 631.147

[8] Lutovac M., Imamović M.,Sadović M., Biočanin R. Lutovac B. Savremeni inovacioni zahtjevi u sistemu ekološke bezbjednosti i energetske efikasnosti, Naučni skup sa međ. učešćem „*Savremeno obrazovanje, nove tehnologije i održivi razvoj*", 13-14. maj 2016. Novi Pazar.

[9] Nešković S. Higher education reform of western balkans countries with traffic, ecology and sustainable development, XVII International conference "T*rends, technological innovation and digitalization in transport, ecology and logistics in sustainable development functions",* 11.-12. Maj/May 2018.

[10] Ristić G., Vasović D. Dematerijalizacija kao aspekt održivog razvoja", X međunarodna konferencija „Upravljanje kvalitetom i pouzdanošću-ICDQM 2008".

[11] Stefanov S., Biočanin R., Lutovac M., Radoman K. Technological Treatment of Hazardous Chemical Waste.