

SMART AND SUSTAINABLE MANAGEMENT

What does it mean to manage a company?

Managing a company is one of the types of broadly understood management, in addition to administration, command, management and team management (the latter is related to management in a narrower sense, with "micro-targeting, e.g. with a working group led by a foreman or a school dance team being directed by an instructor, an apt term is sought¹) . To talk about management, several conditions must be met:

- It is not related to an individual activity, but concerns a team, professional activity of people, i.e. activities undertaken jointly to achieve the adopted goal by a larger or smaller group of people;
- is a process taking place in an organization (institution), regardless of its legal form, size, spatial structure and type of activity, which has a common purpose and the necessary material and intangible resources;
- its governing body (authority), through the performance of managerial functions, has an impact on the functioning and development of the organization ².

The essence of management is defined in various ways. Most authors, however, understand the sense of management as a kind of team management. Therefore, management is understood as a managerial activity in which goals are achieved by planning activities, organizing them and motivating people to specific attitudes and actions, and controlling their implementation. The key activities related to the management of the company include the disposal of financial and human resources.

Organizational culture and management styles

Organizational culture is closely related to the form management style. The relationship between them is two-sided. Culture is an independent variable and influences the choice of management style. On the other hand, the organizational culture resulting from the needs of the strategy may be shaped by the management style. However, this is a lengthy and incomplete process. It is worth taking a closer look at the individual problems first.

¹ Sudół S. (2014), Podstawowe problemy metodologiczne nauk o zarządzaniu, „Organization and management”, nr 1(161), s. 13.

² Tamże, s. 14-15.

Organisational culture means:

- all of the fundamental assumptions that a given group invented, discovered or created while learning to adapt to the environment and internal integration,
- unwritten, often subconsciously followed rules that bridge the gap between what is written and what is actually happening.

G. Hofstede considers culture to be the collective programming of the mind. At the same time, it draws attention to the three levels of this programming, illustrating the scope of validity of given cultural patterns. These are the levels:

- universal, resulting from the features of the human species, appropriate to all people,
- collective, common for individual social groups, distinguished due to different membership criteria (professions, territory, generations, organisations),
- individual, resulting from the personality traits of a specific person ³.

Organisational culture refers to shared views, ideologies, values, beliefs, expectations, and norms. It is a set of norms and values that employees adhere to, including a hierarchy of values, remuneration, career development, loyalty and power, participation, mutual communication and innovation. Organisational culture is based on unwritten, often subconsciously perceived rules that bridge the gap between the unwritten and reality. It is about shared views, ideologies, values, beliefs, expectations and norms. Organisational culture includes all concepts, values, norms and beliefs that are accepted and respected by all or the majority in the company. They act as a system, i.e. the elements interact and are dependent on each other. This culture is one of the key factors for the company's survival. The concept of culture includes a multitude of unwritten rules existing in the organisation that characterise the way people work together. These rules are based on the company's core values, set, cultivated and protected by management.

Organisations have different types of organisational cultures. These are:

a. Culture of power

It is based on the central person of the leader (or a close group of leaders) that exerts a strong influence on the entire organisation along the "rays" radiating from the centre, out of the organisation. In this culture, decisions are

³ G. Hofstede (2000), *Kultury i organizacje. Zaprogramowanie umysłu*, Warszawa, s. 38.

made by leaders' priorities rather than by logical procedures. Control and information are fully in the hands of those at the centre of the network. This type of organisational culture works well in a turbulent environment where you need to react quickly to new stimuli, but the quality of the actions taken depends mainly on the qualifications of the leaders. The culture of power works mainly in small organisations. When organisations get over-developed, it can collapse. Losing a leader is a very critical moment. This situation often causes considerable chaos in the organisation, including the end of the organisation.

b. Culture of the role

Its strength lies in its considerable specialisation. Working in this culture is usually highly bureaucratic. Cooperation between organisational units is based on procedures and ranges of activities. Efficiency in this culture depends on rational goal setting and the allocation of resources to individual cells. Power depends on a formal position in the structure of an organisation rather than on personality traits. The role of the employee is more important than the person who fulfils it. This type of culture works in a stable environment where goals do not change every year and specialised cells can be created for each of them. Significant problems begin when there is a sudden change in the environment. An organisation can also fall apart when there is no board or management that holds it together.

c. Culture of purpose (tasks)

In this culture, the main emphasis is on getting the work (program, project, task) done. Power comes from knowledge and experience in performing a given type of task. The culture of the goal is entirely focused on teamwork, on a group achieving a common goal. The main advantage of this culture is its great flexibility and the ability to adapt to changing conditions.

d. Culture of the individual

The individual is the centre, and the role of the company is to organise a comfortable workplace. Such organisational culture is created for the employee to meet his professional needs. Usually these are groups of lawyers, accountants, architects and consultants - i.e. specialists who often practice the so-called free professions. The individual may leave the company, but the company itself has no right to make decisions about the employee ⁴.

⁴ Aniszewska G. (2007). Kultura organizacyjna w zarządzaniu, Warszawa, s. 15.

By examining the organisational culture of the company, we are able to learn about the mindset of its participants as well as the rules and standards they follow in their behaviour. Getting to know the organisational culture allows you to explain the motives of people's behaviour and choose more effective methods of influencing these behaviours⁵ .

The issues related to management styles are widely presented in the literature on the subject. R. Rutka⁶ defines the management style as a set of techniques for influencing subordinates, established in practice, in order to make them fulfil organisational roles . It is similar with the classification of management styles⁷ , of which there are many. One of the most interesting classifications was proposed by Daniel Goleman⁸ . He distinguished:

a. Democratic style

In this style of management, the opinion of each employee counts. Decisions are made in consultation with employees and after listening to their opinions on a given topic. The boss respects the opinion of his employees and listens to their ideas. Thanks to this, each employee feels important and takes responsibility for the development of the company and the effect of introduced changes. A democratic leader must be able to listen. He cannot assume that he knows everything better than employees. The downside of such a style is the need to discuss each issue, which can extend the time of decision-making - especially when the leader cares about the consensus and satisfaction of all employees.

b. Affiliate style

By preferring the affiliate management style, the leader focuses on building harmony and understanding in the team. Communication and avoiding excessive procedures are very important here. The manager supports the team, praises, gives positive feedback and also helps. The activity and creativity of employees are appreciated here. The effect of such a style is greater cooperation, commitment, trust and loyalty to the boss and the team.

⁵ Czerska M. (2003). Zmiana kulturowa organizacji, wyzwanie dla współczesnego menedżera, Warszawa.

⁶ Rutka R.: Organizacja. W: A. Czermiński, M. Czerska, B. Nogalski, R. Rutka, J. Apanowicz: Zarządzanie organizacjami. Toruń 2001, s. 120.

⁷ L. Walczak: Styl kierowania jako determinanta zachowań podwładnych. W: Uwarunkowania sukcesu organizacji. Red. H. Czubasiewicz, Z. Mokwa, P. Walentynowicz, Gdańsk 2013, s. 102-108; Organizacja zachowań zespołowych. Red. R. Rutka, P. Wróbel, Warszawa 2012, s. 48-55.

⁸ D. Goleman (2017), Leadership That Gets Results, Brighton.

This style of management requires empathy on the part of the leader, who should also have above-average communication skills, and be attentive to any problems and conflicts. He also cannot avoid negative feedback for employees, which is not difficult to do. So for such a manager it is important to develop the ability to give constructive criticism.

The affiliate style is extremely effective, provided that the employees are competent and the goals are clear.

The negative effect of this approach may be reduced efficiency and slowness in action if the team is not aware and responsible. Too many ideas and methods, in the absence of specific decisions, lead to a disturbance of the pace of work. In addition, indulging in the indolence of other employees on an incompetent employee. And the lack of procedures and the attitude of the boss unburdening employees can lead to chaos.

c. Visionary style

This style is considered to be one of the most effective from a business point of view. It is based on creating a vision for the team to follow and mobilising the team to achieve this goal. The overriding value of this style is to show the goals so that each team member knows them and sees the meaning of their work. Thanks to this, he not only feels important, but also knows how and on the basis of what criteria his work is assessed.

The leader must be a person with a vision, committed passion, who can clearly and precisely convey the goal to the team. He must be able to inspire the team, and therefore should be an authority for them.

This style works best when a new course of action is needed or when changes are made in the company. This style is considered to have the strongest impact on the company's climate.

The threat can arise if the manager is too authoritarian and, when creating visions, tells team members where to go, but also tells them how to do it. It is important for the leader to remember to give his employees freedom to act. Doing so makes people feel important.

d. Coaching style

This is the style that develops the team the most. The leader focuses on the strengths and weaknesses of each team member and supports their development. Delegates tasks and encourages to work taking into account the competences of each person. Tries to link the personal goals of the

employee with the goals of the organisation. It looks ahead, anticipating what competences will be needed in the future. As a result, employees feel that they have space in the company to meet their needs.

The coaching style builds loyalty in the team, however, where there are no other motivators (e.g. adequate remuneration), it can result in building strong and competent units for the competition.

From the leader, this style requires a lot of commitment to each team member and not focusing on the strongest employees.

Style can have negative effects when the leader's energy is directed to building competences in people who are worst at work. With this style, there may also be situations in which the leader works on increasing the employee's efficiency disproportionately to the benefits that the employee brings.

e. Coercive style

In short, this style can be called management by fear. It is based on continuous monitoring and control of employees as well as issuing orders to them, which must be carried out in accordance with the leader's requirements. There is no room here for the employee's initiative and his ingenuity, creativity or development. However, the tasks are performed quickly and correctly. This style can be found most often in military structures.

This style has a number of negative effects. It has a negative impact in the organisation on the atmosphere in the company and may result in increased employee turnover. It works well in crisis or conflict situations, nevertheless, constantly leading the team in this way results in the loss of activity and commitment. A prescriptive style can be useful, but should be used sparingly in exceptional circumstances.

f. Process style (normative)

The leader here focuses on standards and how to perform the task. The emphasis is on carrying out activities efficiently and in accordance with the requirements of the organisation. The leader teaches and shows how to achieve the goal, and if necessary, he goes to work himself to prove the effectiveness of the chosen method to employees.

This style works well where employees are competent and internally motivated to achieve high results (e.g. in sales departments). However, if the leader introduces too high requirements, it leads to demotivation of the team,

especially when the leader shows that only he has the competence to do the task correctly.

The process leader has low empathy, and expects high results from employees. In many cases, this style evokes a sense of underestimation in employees (it is difficult to beat the leader in the quality of the tasks performed, because the leader is an authority here - or he is convinced that he works best himself). Although the process leader requires employees to be independent, often does not allow them to take initiative and activity, because tasks must be performed in a specific way.

Such an attitude of the manager immediately causes fear of punishment. Be it a verbal reprimand or professional consequences.

The task of a good manager is to choose styles (2-3) to suit the team and task. However, his preferred management style is influenced by his experience and personality. However, it must remember that by choosing management styles, it builds a specific culture of the organisation, remembering that culture is one of the determinants of choosing this style.

Business ethics: fairness and honesty for all market participants

Business ethics is a relatively new and dynamically developing field of knowledge, also known as economic ethics. Obvious ethical problems must arise where wealth is born, where money is traded, where people borrow and invest, where people sell and buy, trying to get the best possible price, there must be obvious ethical problems.

Business ethics is defined as a set of norms and principles that define economic activity. It even comes down to how to be a good employer or employee and how good and bad are understood. The concept consists mainly of relations:

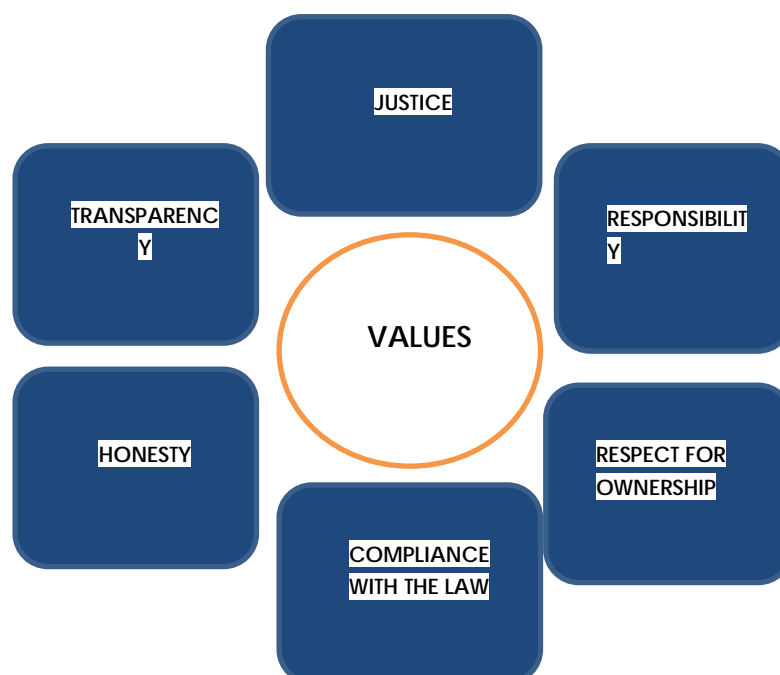
- between the boss and subordinates;
- between colleagues;
- on the line producer / service provider - customer / recipient.

All these dependencies must be based on legal regulations, and also comply with generally accepted principles.

Business ethics relates to several core values. These are:

- honesty - no fraudulent actions are the basis for building a relationship based on trust. A working atmosphere of fairness is one of the most important factors in doing business;
- transparency - both in relation to the recipients and employees of the company, transparent and clear information about the most important activities is extremely important. This allows you to verify the above-mentioned honesty;
- fairness - every recipient and every person employed in the enterprise should have equal access to all sectors of activity. No one can be favoured or discriminated against here. This is another manifestation of business ethics;
- responsibility - make sure you are aware of your actions. If necessary, you should defend them or apologise for mistakes. This entrepreneurial approach makes it easier to trust him;
- respect for property - the right to own property should be respected both inside the company and towards customers. This includes tangible and intangible items (such as personal data);
- compliance with the law - no entity should break the orders or prohibitions. They are established to facilitate functioning in society. Non-compliance can result in ostracism and legal sanctions (Figure 1).

Figure 1. Values according to business ethics



Business ethics standards are the basis of any company's reputation for ethics, integrity, fairness and respect for the law. The company's policy in this respect establishes the scope of ethics implementation in a given workplace and in contacts with customers and shareholders as well as the global community (market participants). These standards include moral and ethical standards that should be followed by every employee, manager and director in the company.

Business ethics requires honesty and fairness for and from all market participants. Honesty requires telling the truth. Even when a mistake does occur, one should not try to hide it, but make sure that all partners know that those responsible will do what they have committed to doing. Integrity always applies, whether in the preparation of financial reports, in responding to auditors' inquiries, in discussions with clients, or in dealing with suppliers and other partners.

It is the same with justice. It requires that the company's capital is built on the basis of the company's achievements, without resorting to unethical behaviour. All market participants must understand that everything related to the conduct of business, opportunities and information about the company is its property and can only be used in its best interest. Justice demands that conflicts of interest be avoided.

Sustainable and efficient use of resources and sustainable development planning

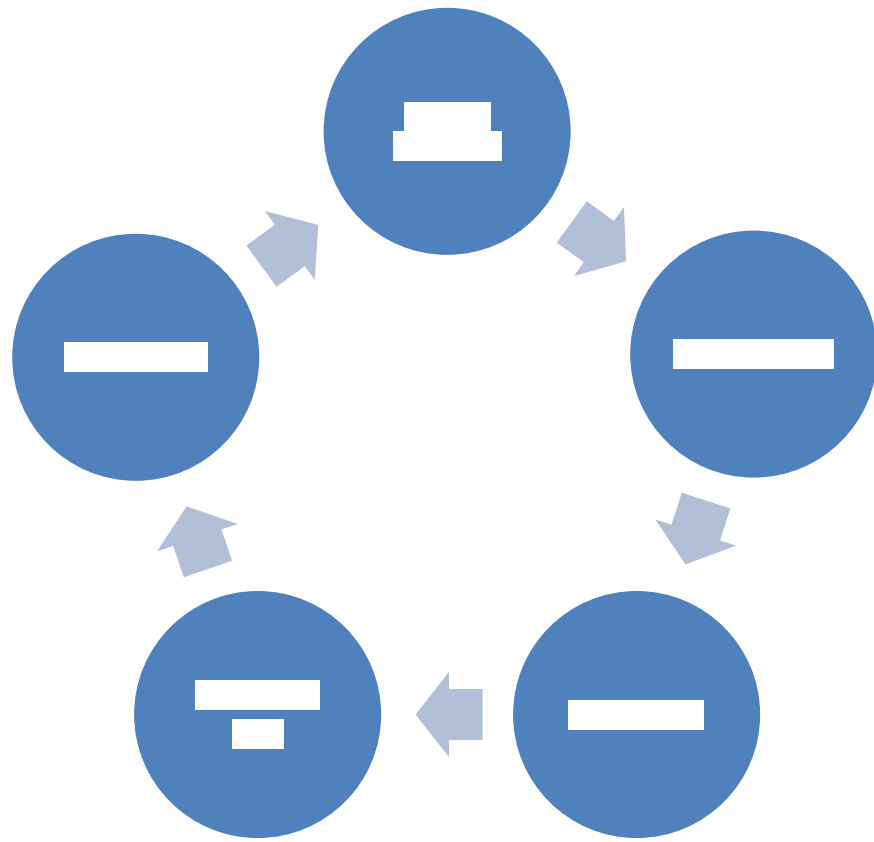
Today in the world there is a generally linear model of the economy. It is based on a simple pattern: take it, use it, throw it away. This leads to more and more consumption, and hence to an increased production of rubbish, and thus a waste of raw materials. Above all, however, it has a negative impact on the natural environment. In this popular model, only new raw materials are used, thus increasing the demand for them. Therefore, the value of the circular cycle began to be appreciated.

Instead of exhausting poorer and poorer deposits, it is worth thinking about reusing the materials that have already been mined. This is the principle behind the circular economy (circular economy). It is based on a node where the generated waste is converted back into raw materials. The implementation of this idea is not only about increasing the recycling potential, but about extending the value of circular circulation throughout the entire supply chain. It therefore means both restoring and repairing items, and selling services instead of products.

Circular economy has several rules (Figure 2.). The first step to a circular economy is eco-design, i.e. design that takes into account the impact on the environment along the entire value chain. It is also necessary to think about the entire life cycle of products and services - from production, through use, to the end of life - in order to be able to create a closed cycle. For this purpose, it is also necessary to cooperate along the entire value chain, often with many external entities that are involved at various stages of the product or service life. It is also necessary to implement innovations that can be both new solutions and forgotten, proven methods. Innovations at the beginning of the life cycle are particularly desirable, in line with the 3xR hierarchy (reduce, reuse, recycle)⁹.

Figure 2. Circular economy rules

⁹ Czym jest GOZ?, <https://gozwpraktyce.pl/czym-jest-goz/>



Care for the environment and social responsibility are the pillars of business activities that affect the lives of millions of people around the world.

Responsibility has three dimensions - economic, environmental and social. Only their simultaneous implementation provides the company with profits and security on the market. Hence, an important issue is the planning of sustainable development by companies. Sustainable development is based on several basic concepts (pillars)¹⁰ , namely:

1. concept of needs and the need to satisfy them,
2. social justice in the intra- and intergenerational dimension
3. restrictions imposed on management methods by the natural environment.

Planning of sustainable development should be associated with the appropriate and conscious shaping of the relationship between economic growth, the environment (natural and artificial) and the satisfaction of various types of human needs, which to a large extent determine the quality of life¹¹ .

In terms of needs, their classification should lead to the setting of specific goals. This classification is to refer to the needs of everyday life of the inhabitants of a given area and should refer to their daily activity.

Justice within and between generations is a pillar of sustainable development that is difficult to operationalize. The concept of intra-generational justice means ensuring decent living conditions and creating appropriate conditions for the development of all inhabitants of a given area, which is related to improving the standard of living, fighting poverty and improving access to health, educational and cultural services, etc. to ensure decent living conditions and development for future generations. Justice understood in this

¹⁰ World Commission on Environment and Development (WCED), 1987, Our Common Future, Oxford University Press, Oxford.

¹¹ Petrișor A. I., Petrișor L. E., 2013, The Shifting Relationship between Urban and Spatial Planning and the Protection of the Environment: Romania as a Case Study. "Present Environment and Sustainable Development", 7, 1, s. 268-276.

way boils down to social equality, often understood as the so-called equal opportunities¹².

Sustainable development requires at the same time taking into account the limitations imposed by the natural environment, and more specifically by the nature, size and quality of natural resources, in the development processes. Such a necessity is reflected in the distinguished principles, rights and goals of sustainable development, which show, inter alia, that development goals should be consistent with the natural conditions in a given area, and that the scale of socio-economic activity should refer to the quality of the natural environment, so as not to disturb the balance in the entire system under consideration¹³.

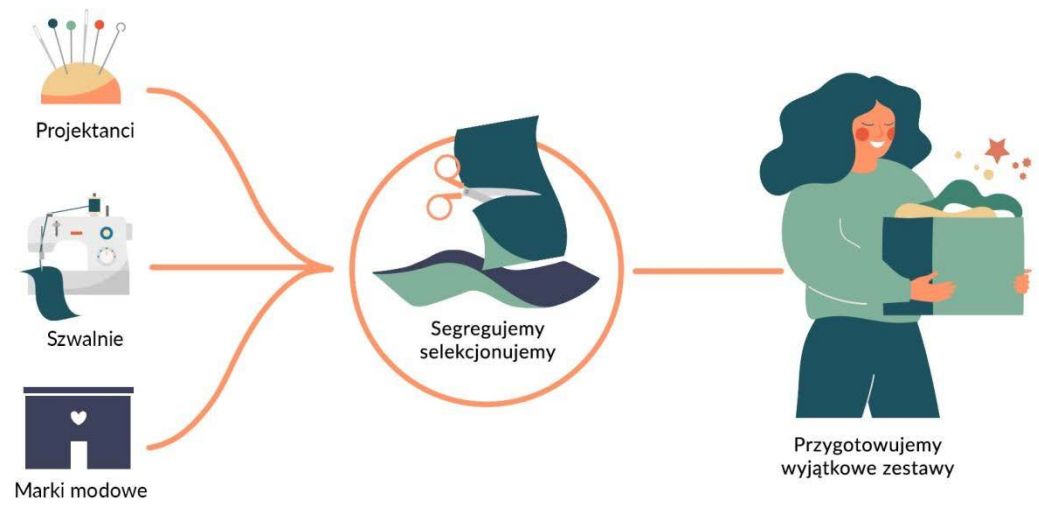
An example of good circular economy practice and effective use of resources can be Circular Scrap, which is the first platform in the fashion industry specialising in recirculation of surplus materials and post-production leftovers in accordance with the circular economy. The platform is an intermediary between designers, sewing rooms, fashion brands and end customers who are interested in purchasing scraps of materials. The collected materials are segregated and selected, and then unique kits are prepared for purchase online. They can be purchased by brands that use small scraps of materials to create original accessories, artists or sewing hobbyists.

Creative Publishing decided to take action in the described scope due to ineffective management and short-sighted textile waste management in the clothing sector. The company wants to encourage companies from the textile sector to release as many elements as possible into a closed circuit.

The Circular Scrap solution fits into the wider context of the ongoing social changes and progressing regulatory changes. Eliminates the "throw away" step and converts it to "reuse".

¹² Kowalik T., 2010, Sprawiedliwość społeczna a nowy ład społeczny. Trybunał Konstytucyjny, Podstawowe założenia Konstytucji Rzeczypospolitej Polskiej, Warszawa.

¹³ Mierzejewska L., 2004, Przyrodnicze aspekty rozwoju zrównoważonego, Poznań.



Thanks to this solution, the following effects were possible:

- waste generated during production is returned to the circulation and the number of waste sent to landfills is reduced;
- full-value materials for use (sewing) are offered, which limits production;
- The storage area of the sewing room is optimised.

This practice won the Stena Circular Economy Award competition.¹⁴ .

¹⁴ Circular Scrap, <https://gozwpraktyce.pl/dobra-praktyka/circular-scrap/>

Additional information

Glossary

Organisational culture - social norms and value systems stimulating employees, proper organisational climate, management method, shared meanings and symbols, cognitive patterns, behavioural requirements.

Management styles - a relatively persistent and repeatable way in which a supervisor interacts with subordinates in order to stimulate and coordinate their activities in the team, and thus - achieving the goals of the organisation.

Business ethics - a set of standards of reliable and responsible conduct of entrepreneurs in mutual relations with clients, contractors, employees, partners and public authorities.

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