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Edited by:

Nagib Callaos
Elina, Gaile-Sarkane
Shigehiro Hashimoto
Natalja Lace
Belkis Sánchez
Michael Savoie



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A Conceptual Framework for Integration of the Concept of Sustainable Development in Bulgarian Enterprises

Nataliya KOLEVA

Faculty of Management, Technical University of Sofia
Sofia, 8 Kliment Ohridski Blv., Sf-1000, Bulgaria

Yordanka ANGELOVA

Faculty of Management, Technical University of Sofia
Sofia, 8 Kliment Ohridski Blv., Sf-1000, Bulgaria

Daniela DIMOVA

Faculty of Management, Technical University of Gabrovo
Gabrovo, 4 Hadji Dimitar Str., Bulgaria

ABSTRACT

The concept of sustainable development has attracted considerable attention in scientific and business circles, becoming a crucial aspect of economic, industrial, and societal growth. To successfully adopt sustainable practices, industrial enterprises must go through a profound reassessment of their operations and engage in various activities aligned with sustainable development goals. This paper aims to present a comprehensive conceptual framework tailored to Bulgarian industrial enterprises, facilitating the seamless integration of sustainable development principles into their core strategies. By adopting the principles of sustainable development, enterprises can not only gain a competitive advantage in the market but also promote a positive reputation and increased public prestige.

This study examines the specific requirements and challenges faced by Bulgarian industrial enterprises during their journey towards sustainable transformation. Through an extensive literature review, case studies and expert insights, this paper highlights the importance of integrating sustainable development in Bulgarian industrial enterprises. It emphasizes the need for joint efforts by all stakeholders to ensure the

successful implementation of sustainable practices and to create a harmonious balance between economic progress, environmental protection, and social inclusion.

Ultimately, this conceptual framework can serve as a theoretical foundation that offers practical recommendations and actionable steps for effective adoption of sustainable development. By adopting the proposed strategies, industrial enterprises can transition to a more sustainable and responsible business model, contributing to the overall well-being of society and the protection of the planet for future generations.

Keywords: Sustainable Development Concept, Social Responsibilities, Bulgarian Industrial Enterprises, Conceptual Framework, Integration, Economic Sustainability

1. INTRODUCTION

The term "Sustainable Development" has gained wide publicity in the scientific and business circles and in general it can be associated with:

- the protection of the environment and the aspiration to achieve ecological sustainability.

- development of strategies for social responsibility and social justice.
- achieving economic well-being in the long term.

The literature review [1, 2, 3, 4, 5, 6, 7, 8, 9, 10] showed that different points of view are found regarding the essence of the term "Sustainable Development", which emphasizes the importance of the different aspects determining the meaning of the concept of sustainable development. For example, in the Brundtland Report of the World Commission on Environment and Development of 1987 [10], sustainable development is defined as: "... development that meets the needs of the present without compromising the ability of future generations to meet their own needs...". It should be noted here that this definition gives the initial impetus to the development of sustainable development and its transformation into a starting point for scientific discussions and research, specifically in the field of environmental protection [11, 12].

Subsequently, we have witnessed the expansion of the scope of the concept in various directions, such as:

- Industrial Production [13, 14], where the topics related to recycling, re-manufacturing, socially responsible production, etc.
- Economy – a foundation is laid for the development of approaches such as Green Economy [15, 16] and Circular Economy [17, 18]

On the other hand, [19] emphasizes the relationship between sustainable development and achieving economic growth. Other authors also relate economic growth to the possibility of obtaining resources with which to achieve sustainability, or in other words, stress is placed on the need for economic growth to provide means for the development of the concept of sustainable development and, as a result, elimination of environmental

damage caused by the activity of enterprises [20].

Based on the in-depth study and analysis of the literature and definitions of the term "Sustainable Development, it can also be said that they emphasize the need for a balance between the economic, social, and environmental aspects embedded in the essence of the concept of sustainable development, emphasizing the long-term perspective and the needs of future generations. All this turns the concept of sustainable development into an integral part of the business environment today, with which industrial enterprises must comply with their development policies and strategies. It can also be defined as one of the most significant UN initiatives in recent decades [21, 22, 23], which places "sustainability" at the center of the modern business model for the effective functioning and management of industrial enterprises.

Another critical point related to clarifying the essence of sustainable development is that "sustainability" should not be taken as a static concept since it is a process, not a result [1, 24]!

If we consider the concept of sustainable development in the context of the development of the industry, different aspects should be considered again, such as:

- optimal use of resources;
- energy efficiency;
- reducing the harmful impact on the environment;
- respect for workers' rights;
- social responsibility and
- sustainable models of economic development.

On the one hand, these aspects become severe challenges for industrial enterprises in Bulgaria, but on the other hand, they give rise to excellent prospects for their development. In this sense, integrating the concept of sustainable development becomes a strategic

task for Bulgarian industrial enterprises. This requires the construction of a new vision and a common conceptual framework that captures the main aspects of "sustainability" and draws the road map for its integration into the existing business model of industrial enterprises, to maintain their competitive advantage and operate in accordance with contemporary challenges.

The study aims to develop a conceptual framework that can be used as a starting point for integrating sustainable development in Bulgarian industrial enterprises. Such a framework can help businesses overcome sustainability challenges and exploit opportunities to develop competitive and sustainable business models.

2. KEY ASPECTS OF A SUSTAINABLE BUSINESS MODEL

Sustainability has become a key strategy for industrial enterprises seeking development opportunities and striving to achieve a competitive advantage in global markets [1]. This stems from the increasing pressure on businesses to increase their focus on integrating the concept of sustainable development. The following can be cited as the main factors causing this pressure [1]:

- concern for the environment and future well-being;
- risk of loss of consumer markets and customer satisfaction;
- risk of deterioration of organizational reputation and competitive advantage;
- development of social responsibility and satisfaction among employees.

Several studies show [25, 26, 27, 28, 29] that more and more people are aware of the need to change to meet sustainability demands in different areas. In pursuing this aspiration, Bulgarian industrial enterprises face severe problems and challenges. Regardless of the many indicators created for assessing sustainable development, a fruitful method

for integrating sustainability assessment at the business organization level has not yet been developed [1].

To overcome the challenges that the requirements for sustainable development pose to Bulgarian industrial enterprises, it is necessary to lay a foundation for a clearer integration of economic, ecological and social values in a single conceptual framework for achieving organizational sustainability.

The authors believe that the conceptual framework for integrating *the concept of sustainable development in Bulgarian industrial enterprises should cover five main aspects:*

- (1) Sustainability, as a strategic priority of Bulgarian private enterprises, requires the enterprise's top management to set clear goals and commitments in sustainable development and development. Here, work should be done in the following directions:

- o Development of strategic plans that include sustainability as a core element. The developed strategic plans must contain clearly described goals, measures to achieve them and time frames.
- o Sustainability policies – businesses should focus on developing policies to state their commitment to achieving 'sustainability'. These policies should be discussed at all levels of the enterprise and serve as guidelines for decision-making.
- o Building a sustainable culture. Sustainable behavior must be built into the company's corporate culture. This includes educating and informing employees about the importance of sustainability, encouraging innovative and sustainable ideas and rewarding successful practices, and ultimately involving and involving all employees in the process of transforming the business model into a sustainable one.

It can be summarized that the effective development of activities in the process of building sustainability, as a strategic priority of industrial enterprises, will be determined to a very large extent by the commitment of top management and their ability to involve all employees in this transformation process. In other words, it is necessary to think about the transformation of the leadership style, taking into account the personality profile of individual employees [30]

- (2) Ecological efficiency and sustainability of the processes and the system as a whole /Industrial Enterprise/ - achieving ecological efficiency of the processes is of essential importance for Bulgarian industrial enterprises. They should strive to use energy- and resource-efficient technologies and processes that reduce waste, emissions and environmental burden. The following can be mentioned as key measures in this direction:

- Energy efficiency - encourages enterprises to reevaluate their production processes and investments in energy-saving technologies. Identifying energy losses and implementing measures to improve energy efficiency can lead to significant savings and a reduction in the carbon footprint.
- Resource optimization and remanufacturing – implies that the business processes carried out, generally speaking, are analyzed with the aim of reducing the used raw materials and water resources. Circular economy principles such as recycling and reuse must be integrated into every stage and phase of the production process.
- Reduction of harmful impact - provides for industrial enterprises to reduce the emissions and waste they generate as a result of ongoing business/production processes. This can be achieved by using cleaner technologies, implementing filters and

waste treatment, and changing processes to reduce pollution.

- (3) Social responsibility – social responsibility is a crucial aspect of sustainable behavior. Industrial enterprises must create equal opportunities and fair conditions in the working environment by ensuring safe and healthy working conditions, respecting workers' rights, and supporting diversity and inclusion. Some key measures to take beforehand here are:

- Equal opportunities and fairness in the workplace – this measure requires businesses to provide an environment of equal opportunity for all employees, regardless of their gender, nationality, race or social status. This includes respecting workers' rights, combating discrimination and creating a safe and healthy working environment. In practice, these requirements must be taken into account already in the process of designing or improving the socio-technical system.
- Training and development – implies that enterprises continuously invest in training and development of their employees, providing them with opportunities to acquire new skills and develop their professional careers. This will help increase productivity, motivation and employee cohesion. Another very important aspect here is to build such an organizational environment that provokes employees to self-discovery and development of their specific and unique qualities, which will enable them to produce higher added value for the company as a whole.
- Strengthening interaction with society – this measure implies that industrial enterprises are active participants in public initiatives and engage in partnerships with local communities and non-governmental organizations. This can include activities such as

social programs and supporting the local economy.

- (4) Economic sustainability –

economic sustainability is essential for successfully integrating sustainability in industrial enterprises. They must be financially sustainable, develop innovations and be flexible in adapting to the changing market environment. The following implementation measures should be envisaged here:

- Diversification of markets – industrial enterprises must look for opportunities to expand their market positions nationally and internationally. In practice, channeling investment in R&D and innovation can help businesses develop new products and services to meet the demands of a sustainable market.
- Effective risk management - the study and management of the risks accompanying the functioning of enterprises is of utmost importance for its efficiency and generation of added value. In this sense, companies must be aware of sustainable development's financial and operational risks and implement strategies to reduce these risks. This may include ensuring financial sustainability, developing business contingency plans and diversifying suppliers and customers.
- Measures for an ecological economy - enterprises must make efforts and commit to the transition to the so-called ecological economy that combines economic growth with environmental protection. This may include investment in green technologies, improvement of product chains,
- and promotion of sustainable practices throughout the value chain.

- (5) Stakeholder management – this direction implies directing efforts to build effective and sustainable interaction and cooperation with all interested parties that are

affected by the activities of the industrial enterprise. To support this process, enterprises must involve stakeholders in decision-making by conducting consultations, gathering feedback, and participating in stakeholder discussions. Through this, businesses can understand and consider stakeholders' different perspectives and interests, leading to better adoption of sustainable solutions. The following can be mentioned as key measures in this direction:

- Building sustainable partnerships and collaborations – industrial enterprises can collaborate with stakeholders, such as local communities, government institutions, academic institutions and non-governmental organizations. These partnerships can include joint projects, sharing knowledge and resources, and creating joint initiatives for sustainable development.
- Transparency and accountability – businesses must ensure high transparency and accountability to stakeholders regarding their sustainable practices and achievements. The publication of sustainable reports and information on production processes, emissions, and social impacts contributes to trust and dialogue with stakeholders and forming a positive public reputation of the enterprise.
- Education and awareness – businesses should invest in education and awareness internally and externally. This includes training employees on sustainability, informing stakeholders about the company's sustainable practices and initiatives, and actively participating in education and information campaigns at the community level. This will contribute to increasing organizational maturity in the field of sustainable development practices.

The authors believe that the engagement of interested parties plays a decisive role in successfully integrating the concept of sustainable development in Bulgarian industrial enterprises. Through open dialogue, partnerships, and collaboration, businesses can positively impact the environment, the communities in which they operate, and their economic sustainability.

Thus, presented aspects of a conceptual framework can serve as a basis for developing specific strategies, policies, and actions that apply to Bulgarian industrial enterprises. It is important to remember that each enterprise is unique and may require adaptation of the framework to its specific needs, vision, mission, and subject of activity.

3. CONCLUSIONS

This publication highlights the importance of integrating sustainability in Bulgarian industrial enterprises. It addresses the critical aspects of sustainable development, such as the environment, social responsibility, and economic sustainability. Some of the challenges businesses face in mainstreaming sustainability and the opportunities and benefits that can be achieved are discussed.

The analysis of Bulgarian industrial enterprises shows that many are already aware of the importance of sustainable development and are taking measures to achieve it. Integrating sustainability into every enterprise level - from management and strategy to operations and supply chain - is critical to achieving competitive advantage and long-term success.

Based on the proposed conceptual framework, a series of projects and initiatives can be initiated to transform modern enterprises' functioning model to meet sustainability requirements. Regardless of the level of maturity of the Bulgarian industrial enterprises, they should make efforts and

integrate the principles of sustainable development in their processes/operations and introduce measures to improve the environment, social welfare, and economic sustainability. This will not only contribute to the public interest but also to the long-term competitiveness and sustainability of the enterprises.

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