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**EVALUATION OF MANAGEMENT MODEL FOR SUSTAINABLE
DEVELOPMENT OF ORGANIZATION**

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Abstract

The article is devoted to the problem of introduction of the main ideas of sustainable development into management practice of organizations functioning as the primary units of an economic system. The authors underline that successful performance of the Russian economy determines the need for new approaches to the evaluation of the management model for sustainable development of an organization. The aim of the article is to develop theoretical framework and methodological approaches to the evaluation of the management model for sustainable development of an organization. The main objective of the research is to enhance the efficiency of organizations through improved accounting and analytical information for management of sustainable development. The authors consider the fact that the improvement of the evaluation of the management model involves the modernization of the current theoretical and methodological approaches to integrated economic analysis of sustainable development indicators. To achieve the objective of the research, the strategic elements of the management model for sustainable development have been described, the analysis of theoretical framework and methodological approaches to the evaluation of sustainable development of an organization has been made. The authors presented their own approach in which the role of the evaluation indicators for the efficiency of economic, social and environmental activities of an organization has been identified. This approach can provide background for managerial decision-making.

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1. Introduction

The successful operation of the Russian economy is based on sustainable development of all its industries, which can be achieved through effective functioning of organizations as the primary units of an economic system. The creation of an effective management system in Russian organizations requires the development of evaluation indicators for the purpose of management of sustainable development of an organization. The term "sustainable development" was firstly used in a report of the World Commission on Environment and Development: "Our Common Future in 1987" (Brundtland, 1989). Brundtland (1989) described sustainable development as development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Since then this term has come to be used in economic and social context. There are about 100 definitions of the term "sustainable development". The results of the analysis of the present scientific explanations show the commonality of the various wording of this term. The main objective is to meet the needs of the society through sound management of physical, natural and human capital.

Sharing the point of view of Ursul (2013), in this study by sustainable development we shall mean the managed development of the society which does not destroy its basic principles and provides continuous development of civilization in the post-industrial era. The ideas of sustainable development have been changing for three decades. The sustainable development goals were developed in accordance with the final Declaration of the conference. In 2015 the UN General Assembly adopted the 2030 Development Agenda including 17 goals for sustainable development. These goals defined the policy of the world community in social, economic and environmental spheres. We can highlight some priorities which we deem essential:

- To provide sustainable consumption and production patterns.
- To promote steady, inclusive and sustainable economic growth, full and productive employment and decent work for all.
- To create a flexible infrastructure, promote sustainable industrialization and innovation.

The results of the analysis of these goals demonstrate a focus on the development of an innovative economic basis of the modern society via high-tech and knowledge-based economy. In this context we share the view of scientists that education is of great importance in the achievement of sustainable development (Kolchina & Martino, 2016; Schattle, 2008; Scott & Gough, 2010). The reason is the fact that the acquisition of knowledge, skills, and awareness of prospects will enable people of all ages to assume obligations for creating sustainable future (Burmistrova, Kormiltseva, Shmakova, & Loshchilova, 2017). Lifelong education will provide a secure foundation for functioning of the innovation-driven economy.

Taking in consideration the above, let us turn to the development of evaluation indicators for the management of sustainable development of an organization which will be used to plan organization strategies and measure its effectiveness and efficiency.

2. Problem Statement

The change of approaches to the management of an organization in the context of sustainable development dictates the need for alteration of the approach to the evaluation of the management model for sustainable development of an organization.

2.1. Factors determining the necessity of the problem statement of theoretical framework and methodological approaches to the evaluation of the management model for sustainable development of an organization.

Let us emphasize the main factors contributing to the necessity of problem statement and the development of its solution in the modern context:

1. The increase in management decisions in order to harmonize the economic growth and social and environmental performance.

2. The shift in development priorities and commitment to the long-term success involve updating of the information content of sustainable development management of an organization based on consideration and analysis of various aspects of the development of an organization.

3. Forecasting: there will be a serious shortage of high quality human capital by 2020. The competition for human capital rather than for mineral resources will determine the country's position in the world economy, its trend towards economic marginalization or global leadership (Auzan, 2015).

4. The lack of conceptual framework which is necessary for the management of sustainable development of an organization, including categories and concepts, knowledge base, analytical tools.

The analysis of the challenges of long-term social and economic development of Russia given in publications of Russian scientists confirms the necessity to conduct the present study.

The results of the industry analysis conducted by the authors revealed the current problems of the development of sectors of the Russian economy including the expectation of a detrimental effect on business profitability; appreciation of resources and factors of production; labor shortage; the gap in the technological equipment of production facilities; the competency crisis as a result of new business models (Apokin, Belousov, Salnikov, & Frolov, 2015). In the context of the problems at issue it is essential to change approaches to the evaluation of the effectiveness and efficiency of all components of the management model for sustainable development of an organization. This is due to the fact that the management efficiency is determined by the efficiency of its components and we evaluate them through the effectiveness of segments of the organization's activities and the quality of the information used for the purpose of management of sustainable development.

In consideration of the foregoing, we think that the development of theoretical framework and methodological approaches to the evaluation of the management model for sustainable development of an organization is one of the top-priority scientific challenges of our time.

3. Research Questions

It is generally recognized that organizations try to work as open systems in conditions of considerable turbulence, high risk and uncertainty. On the one hand, there is a tendency to balance stability and consistency; on the other hand, it is necessary to be flexible and open to changes (to achieve higher level of efficiency and institutional stability) (Carayannis & Grigoroudis, 2016). An organization is a system managed by clear-cut, standardized and theoretical rules, which can be characterized as conceptual framework of the management model of an organization. It is obvious that organizations differ in many characteristics. This fact affects their management. However, the logic of the operation of the management model remains invariant.

3.1. The conceptual management model for sustainable development of an organization

The management of sustainable development of an organization is characterized by such qualities as commitment to improvement, flexibility and adaptability to changes, development of advanced technologies and their practical application in the managerial system.

A conceptual model of sustainable development of an organization includes three aspects: economic sustainability, social sustainability and environmental sustainability. In addition to the above-mentioned, this model should be based on the classical model of management taking into account the peculiarities of the concept of sustainable development of an organization:

- preference stability to maximizing profits;
- minimizing the impact on the environment;
- contribution to the development of the regions where the organization operates;
- human resources development and so on.

The management model for sustainable development of an organization comprises the following core components:

1. The management of sustainable development of an organization is a continuous process of positive changes in which economic activity, social modernization and environmental safety are balanced with each other.

2. The strategy for sustainable development of an organization is the tendency of balanced development which ensures the growth of economic efficiency, social sustainability and environmental safety of an organization.

3. The principles: scientific character, rationality, development, integrity and consistency, flexibility, goal orientation, social responsibility and support of the staff and people in the regions where the organization operates, increase of effectiveness in assistance to regions in social and economic development, environmental safety.

4. The subject of management is a control subsystem of the management model of sustainable development of an organization.

5. The object of management is a controllable subsystem of the management model of sustainable development of an organization.

6. The functions of the management of sustainable development of an organization: anticipation (planning), organization, management, coordination, monitoring, forecasting, goal-setting, rate setting, regulation, provision of incentives, accounting and analysis, knowledge management.

7. The methods of management of sustainable development of an organization: managerial, economic, and social-psychological.

8. The management practice is a deliberate, planned, directed and coordinated process aimed at achievement of the sustainable development strategy.

9. The stakeholders are parties concerned: owners, investors, customers, suppliers, employees, local community, different public groups, the state.

10. Evaluation of the effectiveness and efficiency of management of sustainable development.

The crucial component of the management model for sustainable development of an organization is the evaluation of its effectiveness and efficiency. In respect to the research area:

1. Economic performance describes the economic aspects of the organization and its interaction with other parties including traditional variables which are used in financial accounting as well as those characterizing intangible assets that are not reported in the financial statements (O.V. Efimova).

2. Social performance describes the impact of the organization on social systems within which it operates (O.V. Efimova).

3. The activity of the organization has an environment dimension. The purpose of the environmental strategizing is to reduce and minimize adverse effect on the environment taking into account ecological requirements and means which are necessary for their implementation (AbdRazak, Rowling, White, & Mason-Jones, 2016).

Efficiency is a relative characteristic of the performance:

1. Economic efficiency: the indicators are defined according to the classical approach - the correlation of performance results and the costs incurred to achieve them.

2. Social efficiency: the indicators which characterize the interaction of the organization with its employees, local community, charitable activities.

3. Environmental effectiveness: the indicators of achievement of ecological programs of the organization.

The management of sustainable development of an organization will be effective and efficient with the increase in indicators of effectiveness and efficiency of economic, social and environmental activities.

3.2. Evaluation components of the management model for sustainable development of an organization

The theoretical framework and methodological approaches to the evaluation of sustainable development of an organization and its components are being widely discussed in scholarly literature. Let's highlight the most significant ones:

1. The analysis from the perspective of the stakeholder approach is carried out in two aspects: from the perspective of the analyzed economic entity (it is aimed at identifying the factors of value creation in terms of the development of business reputation of the company) and from the perspective of the parties concerned (it is based on the identification and analysis of benefits for individual stakeholders) (O.V. Efimova).

2. The integrated analysis system of the indicators of sustainable development of an enterprise (it is based on the integrated economic analysis) (A.D. Sheremet).

3. Simulation modeling of sustainable development of economic systems of different hierarchical levels on the basis of resource-based approach: design of algorithms (models) which enable to evaluate sustainable development that is characterized by the quantity and quality of the resources used (N.P. Lyubushin, N.E. Babicheva, A.K. Igoshev and others).

4. The resource-based economic analysis of development of organizations (D.A. Endovitsky, N.P. Lyubushin, N.E. Babicheva).

5. Assessment of the impact of intellectual capital on the performance of manufacturing companies. This methodological approach is based on the following hypotheses:

- there is a positive relation between human capital and performance of companies;

- there is a positive relation between relationship-specific assets and performance of companies;
- there is a positive relation between structural capital and performance of companies (Andreeva & Garanina, 2017).

6. Assessment of the impact of corporate social responsibility on investment prospects of organizations: it is based on econometric analysis of the influence of information disclosure of corporate social responsibility on investment prospects using the example of longitudinal study samples of Russian manufacturing corporations and content-analysis of reports to reveal information about the training of employees, social policy, charity and environmental responsibility (Kelchevskaya, Chernenko, & Popova, 2017).

7. Performance evaluation of organizations on the basis of the ecologically responsible approach: it is based on the hypothesis that the activity of economic entities should be assessed not only in the context of economic efficiency and effectiveness, but in the context of environmental ethics and ecological aggression, which can be seen as an ordered set that is characterized by complexity, dynamics and recursiveness (Anfinogentova, Dudin, Lyasnikov, & Protsenko, 2017).

8. The correlation model shows the interaction between two components of sustainable development: economy and ecology. The model includes measurable variables and identifies the correlation between economic development and environmental performance of an organization (Bogdanov, Ilysheva, Baldesku, & Zakirov, 2016).

We would like to highlight scientific publications which related to research of theoretical framework and methodological approaches to evaluation of bankruptcy and financial situation of the organizations (Kyurdzhiyev, Mambetova, & Peshkova, 2016; Poluyanov & Palamarchuk, 2017).

4. Purpose of the Study

We are going to present our own approach defining the evaluation of the management model for sustainable development of an organization.

4.1. The authors' approach to the evaluation of the management model for sustainable development of an organization

The authors' approach to the evaluation of the management model for sustainable development of an organization includes the following core components:

1. Definition of the key elements of the theoretical concept of evaluation of the management model for sustainable development of an organization (purpose, objectives, research subject, objects, methods, functions, principles) in accordance with the strategy of sustainable development management.
2. Analysis from the perspective of the stakeholder approach.
3. The development of evaluation indicators for the purpose of the management of sustainable development of an organization and the definition of their optimal values.

The evaluation indicators for the purpose of the management of sustainable development of an organization are the greatest possible quantitative and qualitative results of the management activities to achieve the goal of the management model. We use them to choose the strategy of an organization, to assess the effectiveness and efficiency of its activities. Initially, it is necessary to determine the evaluation

indicators of the performance by components: economic sustainability, social sustainability and environmental sustainability. The evaluation indicators of the performance of an organization show the potential capacity of the organization and serve as the basis for the development of the evaluation indicators of efficiency of production, marketing, financial, social, innovation, environmental activities of the organization. They are characterized by the use of all types of resources involved in the economic turnover.

The formation of a system of the evaluation indicators of the performance and efficiency of economic, social and environmental activities of an organization must meet the following criteria:

- the system of indicators should include quantitative, qualitative and integrated indicators to assess economic, social and environmental activities of an organization as well as dynamic indicators which describe the degree of the achievement of the management strategy for sustainable development of an organization;
- compliance of the evaluation indicators of the performance and efficiency of economic, social and environmental activities with the management strategy for sustainable development of an organization;
- decomposition of the evaluation indicators of the performance and efficiency of economic, social and environmental activities of an organization.

4. The development of the evaluation methods of the management model for sustainable development of an organization including a specific sequence of analytical procedures for achieving goals and solving the problems identified in the theoretical concept.

5. Improvement of the information basis for evaluation of the management model for sustainable development of an organization that includes working out recommendations on improvement of accounting and analytical systems: financial system (financial accounting, financial reporting, financial analysis), management system (managerial accounting, management reporting, managerial analysis, budgeting), fiscal system (tax accounting, tax planning, tax analysis), social system (social accounting, social reporting, social analysis), environmental system (environmental accounting, environmental reporting, environmental analysis).

Accounting and reporting elements of the accounting and analytical systems are defined as incoming components of the evaluation of the management model for sustainable development of an organization, the functional purpose of which is to record and accumulate information generated in the process of economic, social and environmental activities of an organization. Analysis, budgeting and tax planning are defined as the functional components of the evaluation of the management model for sustainable development of an organization in which the information is converted into the final product for managerial decision-making.

In the proposed approach, the evaluation of the management model for sustainable development of an organization includes the incorporation of its components: economic sustainability, social sustainability and environmental sustainability. According to this approach, it is possible to carry out the evaluation of the management model of economic sustainability, social sustainability or environmental sustainability separately based on the dominant component.

5. Research Methods

To detail the core components of the theoretical concept of the evaluation of the management model for sustainable development of an organization, we conducted the theoretical analysis of Russian and foreign studies within the framework of the problem under consideration. The authors presented their own approach to the evaluation of the management model for sustainable development of an organization. The importance of the improvement of the information basis for evaluation of the management model for sustainable development of an organization has been identified. It enables us to give scientific and applied interpretation of the obtained results.

6. Findings

In the modern context there is a great need for new approaches to the evaluation of the management model for sustainable development of an organization. The authors analyzed the theoretical framework and methodological approaches to the evaluation of sustainable development of an organization. The results of the analysis enable us to conclude about the multifaceted aspects of the problem.

7. Conclusion

Let us sum up. The authors' approach contributes to the development of the theoretical framework and methodological approaches to the evaluation of the management model for sustainable development of an organization. This approach can be used to solve the problems of improving the effectiveness and efficiency of the management model functioning. In the context of the approach, the role of the evaluation indicators for the efficiency of economic, social and environmental activities of an organization has been identified and the criteria of their formation have been established. The description of the core components of the evaluation of the management model for sustainable development of an organization cannot be regarded as complete, but the authors believe that the results of the proposed approach can serve as a basis for making managerial decisions to harmonize economic development with social and environmental performance.

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