

question, in accordance with international obligations and should be applied to the company (Šunje and Kulović, 2018).

### **“How green your business is”**

The criteria of “how green your business is” are becoming an increasingly influential factor in product and process quality. In practice, the process of turning a business green is reduced down to the introduction of EMS following the ISO 14001 standard. Green business is a term used for entrepreneurship and production which stem from the principle of sustainable development (Tatić, 2011). Turning a business green is a demand which is becoming an imperative of survival in a market with a host of companies.

There are different levels of green shades of management. In practice, four shades of green are recognised, ranging from light green to dark green, which is in harmony with the level of ecological sensibility of the corporation. The four basic shades are as follows:

- 1 *Legal approach:* It is most insensitive to environmental problems with a primary focus on compliance. Businesses guided by this approach have a low level of awareness of the importance of environmental management.
- 2 *Market approach:* It is focused on achieving a competitive advantage of the company taken into account the requirements of consumers; market pressure on consumer awareness that challenges today's businesses.
- 3 *Stakeholder approach:* It focuses on different stakeholders in an effort to balance a number of stakeholder requirements. The preferences expressed by key stakeholders through their diverse requirements are met.
- 4 *Activist approach:* It is focused on establishing new paradigms of business based on innovation; creating a business strategy based on environmentally friendly goals within which it creates added value.

The level of the shade of green determines the level of environmental awareness of those companies that advocate the concept of environmental management. Environmental management arises as a result of the increasing awareness of the importance of environmental protection and proactive orientation of the company. The key question companies face is “how green your business is.” On this basis, there is a need for “greening of business,” which means the level of application of the concept of environmental management in everyday business. Environmental management is defined as the management of all activities in the company that have or may have an impact on the environment. The goal of environmental management is to conduct business activities in a way that will reduce environmental degradation and provide a better environment for future generations. After the integration of the concept of “greening the business” within the business processes, it is important to achieve the integration of all functions within the organisational structure of the

company. However, it is very important to distinguish harmful from beneficial relationships.

Good management practice in companies shows how environmental impacts can be controlled, risks reduced, and benefits realised if appropriate management systems and processes are put in place. The practice and experience of companies so far in relation to environmental issues are different. Some companies have made great strides in this regard, and some are just beginning to think about this aspect of their business. Therefore, these recommendations are divided into three groups, and contain the following steps to establish good environmental practice, which is presented in Table 7.3.

Verifying a company potential to meet environmental requirements in terms of "greening of businesses" is important to create a diagnostic approach. Market and non-market environmental assessments are very important and sought after today. It is important to include the scope of

*Table 7.3 Recommendations for companies in order to establish good environmental practice*

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*Companies which are beginning to enhance their influence on the environment*

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- Provide active support of the top management of the company which should manage the influence of the company on the environment and society in terms of basic products and services of the company.
  - Create an initial analysis of company affairs regarding environmental protection.
  - Ensure that top management receives a task to be responsible for the introduction of improvements on behalf of the executive level.
  - Companies seeking to create more than just basic conditions.
  - Create an environmental protection policy and publish it, to employees in particular.
  - Determine priorities and set goals which will lead to improvements.
  - Provide sufficient funds needed to achieve the respective goals.
  - Initiate an employee programme to establish a required level of awareness among them and provide help in the implementation of the programme.
  - Communicate with other bodies and organisations in society and community, inform them regularly and include them in your programmes.
  - Companies with a goal of further performance increase.
  - Take responsibility for constant improvement in this area.
  - Consider the possible environmental influence when making strategic decisions and in the process of new product and service development.
  - Formalise the documentation regarding the environmental management system and have it verified by a renowned third party. If possible, formally certify the environmental management system following the ISO 14001 standard or EMAS.
  - Develop supplier programmes to introduce the improvements to all areas of business process.
  - Exchange best practices with others and be a leader in your sector and advocate the engagement of other Company and sectors in this area.
  - Engage in negotiations with the government for creating preconditions and infrastructure needed for a complete transfer to the concept of sustainable development.
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