

## CONCERN FOR THE ENVIRONMENT: THE ROLE OF THE ENVIRONMENT IN ORGANIZATIONAL SUSTAINABILITY

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### **Abstract**

The environment plays a vital role in the sustainability of an organization, both as a primary resource provider and as a strategic element that influences the operational stability and reputation of an organization. This study aims to examine the relationship between environmental awareness and organizational sustainability, with a focus on the role of the environment as a key supporting element in resource management, regulatory compliance, and value-added creation. The method used in this study is a literature review, in which various sources such as scientific journals, books, and organizational reports are analyzed to gain an in-depth understanding of effective sustainability practices. The results of the study indicate that organizations that care about the environment tend to be better able to face global challenges, such as climate change, resource scarcity, and social pressure from consumers who are increasingly aware of sustainability issues. In addition, environmental awareness strategies, such as resource efficiency, environmentally friendly product innovation, and collaboration with stakeholders, not only support environmental conservation but also increase the competitiveness and reputation of the organization in the market. Thus, environmental awareness is not only a moral obligation, but also an important strategic investment for the sustainability of the organization in the future.

**Keywords:** environment, organizational sustainability, environmental awareness, sustainability strategy, resource efficiency

### **INTRODUCTION**

The environment is a valuable asset that supports the sustainability of life on earth. Not only as a place to live, the environment also provides resources that support human activities, including economic and business

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activities (Ramli et al., 2022). However, in recent decades, pressure on the environment has increased significantly. Environmental degradation, such as air pollution, water pollution, soil degradation, deforestation, and climate change, have become real threats to the sustainability of the global ecosystem. Various studies show that human activities, especially in the industrial and organizational sectors, are one of the main causes of environmental damage. This raises awareness that efforts to protect the environment must be carried out together, including by the business sector which has a major influence on ecosystem conditions. According to Saudi et al., (2019) climate change is one of the biggest environmental issues facing the world today. Its impacts not only affect the quality of human life, but also the operational stability of organizations in various sectors. For example, changes in extreme weather patterns can disrupt supply chains, reduce agricultural yields, and increase the risk of natural disasters that damage infrastructure. As one of the parties most affected by this issue, organizations are required to take active steps to reduce their contribution to environmental damage. This is not only a social responsibility but also part of the organization's sustainability strategy to survive amidst increasing challenges (Amjad et al., 2021).

In the context of organizational sustainability, the environment plays a central role. The environment provides key resources that support business operations, such as raw materials, water, and energy. When these resources are disrupted, the organization's productivity can be threatened (Ortiz-de-Mandojana, 2016). For example, uncontrolled deforestation can lead to shortages of raw materials in the wood or pulp sector, while water pollution can affect the quality and quantity of water used by factories. Thus, protecting the environment is not only a moral responsibility but also a strategic step to ensure the continuity of resource supply.

On the other hand, environmental concern has become an important element in building an organization's reputation. Modern society is increasingly aware of the importance of preserving the environment. They are more likely to support organizations that demonstrate a commitment to sustainability. This phenomenon is reflected in the increasing demand for environmentally friendly products, such as organic products, biodegradable packaging, or energy-saving technologies. On the contrary, organizations that ignore environmental aspects tend to get a negative image in the eyes of consumers, which can have a negative impact on customer loyalty and investor confidence. Therefore, the success of organizations is no longer

determined only by the quality of the products or services offered, but also by their contribution to environmental preservation (Maletič, M., Maletič, D., & Gomišček, 2018).

In addition to pressure from society, organizations are also faced with increasingly stringent regulatory demands related to environmental management. Governments in various countries, including Indonesia, have established policies that require the business sector to implement environmentally friendly practices. In Indonesia, Law Number 32 of 2009 concerning Environmental Protection and Management is the legal basis for sustainable environmental management. In addition, the existence of international certifications such as ISO 14001 also serves as a guide for organizations to integrate environmental principles into their operations. Compliance with these regulations not only prevents legal risks but also demonstrates the organization's commitment to sustainability. However, the implementation of environmental sustainability principles in organizations is not free from challenges. One of the main obstacles is the initial investment required to adopt environmentally friendly technologies or change production processes to be more sustainable (Norton et al., 2014). Many organizations, especially small and medium-sized ones, find it difficult to allocate sufficient financial resources for sustainability programs. In addition, the lack of awareness and understanding among employees or management is often an obstacle to implementing environmentally friendly policies effectively. This challenge shows that environmental awareness requires a strong commitment, both from the management of the organization and other stakeholders.

Nevertheless, various studies show that environmental awareness can provide long-term benefits for organizations. One of the main benefits is operational efficiency. By implementing the 3R principle (Reduce, Reuse, Recycle) or switching to renewable energy sources, organizations can reduce operational costs while reducing their ecological footprint. Eco-friendly product innovation also opens up opportunities to access new markets that are more concerned about sustainability issues. For example, companies that use biodegradable packaging or recycled materials often gain a competitive advantage in the global market (Das, S. C., & Singh, 2016).

In addition to economic benefits, organizations that care about the environment are also better able to build good relationships with stakeholders, including the community, government, and business partners. In an era where transparency and social responsibility are increasingly valued,

organizations that demonstrate a commitment to environmental conservation tend to gain greater support. This not only improves the organization's reputation but also strengthens their position amidst increasingly fierce competition (Wang, 2019).

Considering these factors, it is clear that the environment plays a strategic role in the sustainability of an organization. Concern for the environment is not only part of social responsibility, but also an important element in a competitive business strategy. Therefore, every organization needs to integrate sustainability principles into their vision, mission, and operations. This step will not only have a positive impact on the environment, but also ensure the sustainability of the organization in the future.

## **RESEARCH METHOD**

This study uses a literature review method as the main approach. The literature review was conducted by collecting, analyzing, and evaluating various relevant sources, such as books, scientific journals, articles, organizational reports, and policy documents related to environmental concerns and organizational sustainability. The main focus of this study is to identify the relationship between environmental concerns and organizational sustainability, including the role of the environment as a strategic element in organizational management. The literature used was selected based on credibility and relevance to the research topic, and was critically analyzed to gain a comprehensive understanding of the concepts and best practices in environmental management.

This literature review also aims to explore theoretical and empirical perspectives from various previous studies, both globally and in the Indonesian context. By using this approach, research can reveal trends, challenges, and opportunities related to the implementation of sustainability practices in organizations. In addition, literature analysis allows researchers to build a strong synthesis to explain the importance of environmental concerns in supporting organizational sustainability. This study is expected to provide academic contributions as well as offer applicable recommendations for organizations to integrate sustainability values into their operational strategies.

## **RESULT AND DISCUSSION**

### **Environment as a Primary Resource and Compliance with Regulations**

According to Lah, L. M., & Kotnik, Z. (2022), the environment plays a fundamental role in supporting human activities, including organizational operations. For organizations, the environment is not only a place to operate, but also the main source for the provision of raw materials, energy, and water used in the production process. For example, the manufacturing industry is highly dependent on the availability of raw materials such as metals, wood, or chemicals that come from nature. Likewise, the agribusiness sector requires fertile soil, clean water, and a stable climate to maintain productivity. When environmental conditions are disturbed, such as due to deforestation, pollution, or climate change, the availability of these resources can decrease, threatening the continuity of organizational operations. Environmental damage also has direct consequences for the operational costs of the organization. For example, water pollution not only reduces the quality of water resources but also increases processing costs to meet the required quality standards. The same applies to energy, where the depletion of fossil resources triggers an increase in energy prices, encouraging organizations to switch to renewable energy sources. Thus, environmental sustainability is the main key in ensuring the availability of resources for organizations (Giles, C., & Giles, 2022). In addition, organizations that successfully manage resources efficiently and protect the environment can gain competitive advantages, such as cost efficiency, positive reputation, and consumer loyalty.

Organizations also need to understand that the environment is an interconnected system. Dependence on a healthy environment means maintaining the balance of the ecosystem as a whole. For example, excessive use of raw materials without conservation efforts can lead to resource shortages in the future. Therefore, organizations need to adopt responsible approaches, such as sustainable resource management, waste recycling, and environmentally friendly technological innovation. These steps not only provide long-term economic benefits but also demonstrate the organization's commitment to environmental conservation, which is increasingly appreciated by consumers and other stakeholders (Brown, 2021).

In addition to being a primary resource, the environment is also a major focus in various regulations set by the government and international bodies. Environmental regulations aim to ensure that organizations carry out their operations in a manner that does not damage the ecosystem and minimizes negative impacts on the environment. In Indonesia, for example, Law Number

32 of 2009 concerning Environmental Protection and Management requires every entity to apply the principle of sustainability in its activities. In addition, regulations such as environmental impact analysis (AMDAL) are the main requirements for organizations that want to establish or develop their businesses.

Compliance with these regulations is not only a legal obligation, but also a strategy to avoid greater risks. Organizations that ignore environmental regulations can face various consequences, such as fines, legal sanctions, and loss of operating permits. In addition, non-compliance with regulations often has a negative impact on the organization's reputation, which can affect relationships with consumers, business partners, and investors. For example, cases of environmental pollution involving large companies often receive widespread media attention, creating significant social and economic pressure on the organization (Gupta et al., 2019).

At the international level, the existence of standards such as ISO 14001 also provides guidelines for organizations to integrate environmental management into their management systems. This certification not only helps organizations comply with regulations but also increases their credibility in the global market. By demonstrating a commitment to international environmental standards, organizations can attract the interest of investors and consumers who are increasingly concerned about sustainability issues (Bassey, 2020).

Therefore, compliance with environmental regulations should be viewed as a long-term investment for the organization. By complying with regulations, organizations not only avoid legal risks but also build a positive image as a responsible entity. In addition, regulations often encourage innovation, such as the development of environmentally friendly technologies or efficiency in the use of resources, which ultimately increases the competitiveness of organizations. In today's increasingly sustainable era, organizations that are able to comply with and even exceed environmental regulations will have a significant advantage in the market.

### **The Role of the Environment in Organizational Sustainability**

The environment plays a very important role in determining the sustainability of an organization. In an increasingly complex and interconnected world, organizations cannot be separated from the ecosystem in which they operate. The environment provides various resources that are the main foundation for organizational operations, including raw materials,

water, energy, and supporting ecosystems (Smith, 2012). However, increasing environmental damage due to excessive exploitation of resources, climate change, and pollution has posed a serious threat to the sustainability of organizations. Therefore, concern for the environment is no longer just an option, but a strategic need that must be considered by every organization. The environment supports the sustainability of organizations by providing the resources needed to run business operations. Without the availability of sufficient raw materials, production activities cannot run optimally. For example, the food industry relies on agricultural, fishery, or livestock products, all of which require a healthy environment to thrive. Likewise, the manufacturing industry requires raw materials such as metals, wood, or chemicals, which come from natural resources. When the environment is degraded, the availability of these resources can be disrupted, posing serious risks to the organization's supply chain. In addition, environmental damage also triggers an increase in production costs, for example due to the increasing need to process contaminated raw materials or find more expensive alternative sources (Chaudhary, R., & Kumar, 2022).

In addition to providing resources, the environment also functions as a life support system that maintains the balance of the ecosystem. Climate stability, soil fertility, and water quality are examples of environmental factors that directly affect organizational productivity. Climate change that triggers natural disasters such as floods, droughts, and storms can disrupt organizational operations, either through infrastructure damage or disruption of supply chains. In fact, the impacts of climate change are often long-term, requiring significant adaptation and mitigation from organizations. Thus, protecting the environment means protecting the foundations that support business continuity and operational stability.

Organizational sustainability also depends heavily on harmonious relationships with Chaudhary, R., & Kumar, C. (2022) stakeholders, including the community, government, and consumers. In this modern era, society is increasingly aware of the importance of environmental conservation. Consumers are more likely to support organizations that demonstrate a commitment to sustainability, such as producing goods with environmentally friendly materials or reducing their carbon footprint. On the other hand, organizations that ignore environmental aspects often face significant social pressure, either in the form of consumer boycotts or community protests. By showing concern for the environment, organizations not only meet the

expectations of stakeholders but also strengthen their reputation in the market.

On the other hand, the environment is also closely related to aspects of government regulation and policy. Many countries, including Indonesia, have implemented strict regulations related to environmental protection. Organizations that fail to comply with these regulations can face various consequences, ranging from legal sanctions to significant financial losses (Baloch et al., 2022). Therefore, protecting the environment not only helps organizations comply with existing regulations but also allows them to avoid legal risks and maintain long-term sustainability. In addition, regulations that encourage the adoption of environmentally friendly technologies or resource efficiency often provide opportunities for organizations to innovate and improve their competitiveness. In the context of sustainability, the role of the environment is also reflected in its ability to drive operational efficiency. Many organizations have realized that by adopting environmentally friendly practices, such as the use of renewable energy or better waste management, they can reduce operational costs while increasing productivity. Initiatives like these not only help organizations reduce their negative impact on the environment but also create added value for their business (Mohd Zawawi, N. F., & Abd Wahab, 2019). For example, companies that implement the 3R principle (Reduce, Reuse, Recycle) often succeed in reducing production costs by recycling materials that were previously considered waste. However, to optimally utilize the role of the environment, organizations need to integrate sustainability principles into their business strategies. Concern for the environment must be part of the organization's vision and mission, and be realized through concrete policies and programs. For example, companies can invest in technologies that support energy efficiency, develop environmentally friendly products, or collaborate with local communities in environmental conservation efforts. These steps not only have a positive impact on the environment, but also strengthen the organization's position in an increasingly competitive market.

### **Environmental Care Strategy for Organizational Sustainability**

Environmental awareness has become one of the main strategies for organizations to ensure their sustainability amidst global challenges such as climate change, resource scarcity, and increasing public awareness of sustainability. This strategy not only reflects the organization's social responsibility but also plays an important role in creating added value and



competitive advantage. In facing increasingly challenging environmental conditions, organizations need to adopt an integrated strategic approach, from operational efficiency to environmentally friendly product innovation (Vargas-Hernández, 2023).

One strategy that can be done is to increase resource efficiency through the application of environmentally friendly technologies and sustainable management. The use of renewable energy, such as solar or wind power, can help organizations reduce their dependence on fossil fuels which are not only expensive but also damaging to the environment. In addition, efficiency principles such as Reduce, Reuse, Recycle (3R) can be applied to minimize the waste produced. For example, manufacturing companies can manage their production waste into new raw materials, thus not only reducing environmental impacts but also reducing operational costs. Thus, this strategy not only supports environmental conservation but also provides economic benefits for the organization.

Another effective strategy is the development of more environmentally friendly products and services. Modern consumers are increasingly aware of the importance of sustainability, so they tend to choose products that do not harm the environment (Galpin et al., 2015). Organizations can take advantage of this opportunity by developing products based on recycled materials, reducing the use of single-use plastics, or creating energy-efficient products. In addition to meeting market demands, this kind of innovation also helps build a positive image of the organization as an entity that cares about the environment. For example, many global retail companies have replaced plastic bags with reusable paper or cloth bags, which not only attract consumers but also support the reduction of plastic waste.

In addition to product innovation, organizations also need to pay attention to collaboration with external parties as part of their sustainability strategy. Collaboration with the government, non-governmental organizations and local communities can strengthen environmental conservation efforts. For example, organizations can participate in forest rehabilitation programs or support community initiatives in managing water resources. This collaboration not only shows the organization's social responsibility but also builds better relationships with stakeholders (Mostepaniuk et al., 2023). With support from various parties, organizations can expand their positive impact on the environment while improving their reputation in the eyes of the public.

Environmental awareness can also be implemented through the establishment of a culture of sustainability within the organization. Education and training for employees on the importance of sustainability can encourage the creation of environmentally friendly practices in every aspect of operations (Gandrita et al., 2023). For example, employees can be encouraged to reduce paper use by switching to digital systems or minimizing electricity use in the workplace. By building this culture, organizations not only integrate sustainability into their daily activities but also create a collective awareness that supports their long-term goals. Finally, implementing an environmental awareness strategy also requires a clear measurement and evaluation system. Organizations need to establish environmental performance indicators to measure the impact of their operations on the environment. These indicators include energy use, waste management, and carbon emissions generated. By measuring and evaluating environmental performance regularly, organizations can identify areas for improvement and continuously improve their sustainability efforts.

## **CONCLUSION**

The environment plays a very important role in the sustainability of an organization, both as a provider of primary resources and as a strategic element that influences the stability of operations and the reputation of an organization. In a global era facing environmental challenges such as climate change, resource scarcity, and increasing public awareness of sustainability, organizations can no longer separate themselves from their responsibility to the environment. Concern for the environment is not only a moral obligation, but also a strategic need that determines the competitiveness and sustainability of an organization in the long term.

By implementing environmental awareness strategies, such as resource efficiency, developing environmentally friendly products, and collaborating with stakeholders, organizations can reduce their negative impacts on the environment while creating added value. Compliance with environmental regulations is also an important key in avoiding legal risks and building a positive image in the eyes of consumers and the community. By integrating sustainability values into their vision, mission, and daily operations, organizations can not only protect the ecosystems on which they depend, but also strengthen their sustainability amidst global challenges.

Therefore, environmental sustainability and organizational sustainability are two things that are interrelated and mutually supportive. Organizations

that are able to maintain a balance between business interests and environmental preservation will be better prepared to face future challenges and remain relevant in an increasingly competitive market.

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