

## Sustainable Global Business Practices: A study

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### Abstract

Periodically, new major forces dramatically reshape the business world. Just as globalization, the information technology revolution and the knowledge economy have been doing for the past two decades. In the early part of this twenty-first century, the most important pressures facing businesses worldwide, especially those in the developed world, is arguably the need for integrating sustainability issues into daily business operations. For businesses, the creation of economic value by integrating corporate social and environmental responsibility issues now increasingly pose real profound strategic challenges. These complex challenges involve numerous processes carried out and influenced by many stakeholders to set the tone and guide corporate level decisions. As organizations try to meet these complex challenges, they need to be innovative. This often calls for the creation, use and exploitation of new knowledge. Therefore, knowledge resources must be properly managed to provide an environment for well-informed decisions. Much of the sustainability related knowledge revolves around on-going learning from the actions taken by managers and stakeholders who enact the organization's sustainability-related change initiatives. The focus of this paper is on Sustainable Development in India and initiatives taken by the stake holders like people and their relation to profit ,Planet and sustainability,



There's no alternative to sustainable development.

The quest for sustainability is already starting to transform the competitive landscape, which will force companies to change the way they think about products, technologies, processes, and business models. The key to progress, particularly in times of economic crisis, is innovation.

Today, only few executives in business would doubt that economic, social and environmental sustainability issues will be the defining business drivers for organizations in the first part of the twenty-first century. This is primarily due to: recent credit crunch; global economic turbulence; raising oil prices; meeting increased demands and expectations of stakeholders; protecting degradation of natural resources; the knowledge economy; managing crisis and remediation while defending the organization; and the diminishing social and community structures .

These complex issues involve numerous processes. They also influence many stakeholders and further help to set the tone and guide corporate level decisions. Nevertheless, to businesses these are formidable environmental and social issues that have evolved over time and that must be addressed. To address the above issues and challenges, sustainability offers business leaders a twenty-first century management framework. Sustainability is a management principle that aims to create long-term shareholder value by seizing opportunities and managing risks related to the economic, environmental, and social impact of doing business.

### **To Improve Accessibility to Sustainability-Related Knowledge**

In the current study, overwhelmingly, 93 percent (55 of the 59) of the interviewees agreed that a key driver for managing sustainability-related knowledge in their organizations is to improve efficiency and effectiveness of accessing critical sustainability-related knowledge. For instance, in the current study, one of the interviewees stated that: "in our organization, finding who has the right sustainability-related expertise to solve critical business problems is harder. The experiential sustainability-related knowledge that people carry around in their heads is scattered across the company (i.e. all over Europe and USA), and it is nearly impossible to find the right 289 people unless they are already part of the employee's personal network. When employees cannot find the right sustainability expertise or solution, they must either spend time and effort to recreate that solution or settle for something sub-optimal." Analysis of the above statement reveals that one of the key drivers for managing sustainability related knowledge is to improve accessibility to sustainability-related knowledge. As Hunt suggests knowledge map may provide a possible answer to the challenges of how to locate new forms of useful knowledge, and the flow of knowledge within and across organizations, including new directions for training employees, linking sustainability experts, innovative sustainability techniques and technologies, stimulating and facilitating knowledge sharing, and establishing useful links with external stakeholders. In today's fast-paced economy, an organization's knowledge base is quickly becoming its only sustainable competitive advantage. As such, this resource must be protected, cultivated, and shared among organizational members [8]. Knowledge is required for more effective and efficient management decision-making regarding sustainability issues . Until recently, companies could succeed based on individual knowledge of a handful of strategically positioned workers. Increasingly, however, competitive advantage can be gained by making individual knowledge available within the organization, transforming it into organizational knowledge. Decisions in today's world are taken under tremendous pressure and in a short time frame. Many organizations are implementing knowledge management to ensure that decisions makers have adequate and relevant knowledge at their finger tips to ensure good-quality decision making. Often, however, an organization creates so much material that effectively organizing it is a daunting task . The distributed nature of organizations makes it very hard to get a clear and complete overview of the knowledge that is available within organizations. According to KPMG , 6 out of 10 employees find

accessing undocumented knowledge a major problem. Therefore, professionals find it difficult to access core knowledge for highly knowledge intensive activities, such as problem-solving and decision-making. This situation calls for knowledge mapping to increase the visibility of knowledge sources and hence facilitate and accelerate the process of locating relevant expertise or experience. Essentially, a knowledge map improves efficiency and effectiveness of accessing critical knowledge en-route the re-use of ideas and processes. For example, climate change touches at the very heart of political and economic structures in recent times. It challenges business readiness to change from the current carbon-high economy to one of significantly reduced or zero emissions. It also challenges businesses ingenuity. The solutions are out in the market. But business needs to zoom in on them, thoroughly explore them and put the best ones to use. Knowledge maps zoom in on what already exist in organizations or within network actors.

### **To Build Sustainability-Related Skills and Capabilities**

A sustainable organization excels on the traditional scorecard of return on financial assets and shareholder and customer value creation. It also embraces community, the environment, and stakeholder success. The new concept of triple bottom line requires executives to manage entire value chain impacts from raw materials purchase to product/service end-of-life. It also requires them to listen to societal stakeholders that they previously may have considered to be marginal or irrelevant to their business decision-making. However, many executives lack the requisite mindset and capabilities needed to embed a sustainable value perspective into an organization’s day-to-day activities. Therefore, it is necessary for organizations to build their sustainability-related skills and capabilities. In the current study, 75 percent (44 of the 59) of the interviewees asserted that another key driver for managing sustainability-related knowledge is to build their sustainability-related skills and capabilities. For instance, one of the interviewees in the current study noted that: “our company’s aim is to become the most successful environmentally, socially and economically sustainable UK organization. To achieve this aim, we needed to build strong sustainability related skills and competencies of our workforce. Therefore, five years back we implemented a knowledge management program. The main goal of this knowledge management program is to build our staff skills and capabilities through sharing sustainability-related best practices”. Analysis of the above statement reveals that one of the key drivers for managing sustainability related knowledge is to build sustainability-related skills and capabilities. As Saint-Onge and Wallace have argued, knowledge management is about the development of corporate skills and capability, which is essential if an organization is to develop and lead its market rather than endlessly work to keep up with the demand. Therefore, managing sustainability-related knowledge will help to build skills and capacity to respond to rapidly changing sustainability issues and conditions through innovative approaches.

By treating sustainability as a goal today, early movers will develop competencies that rivals will be hard-pressed to match. That competitive advantage will stand them in good stead, because sustainability will always be an integral part of development.

It isn’t going to be easy. Enterprises that have started the journey, our study shows, go through five distinct stages of change. They face different challenges at each stage and must develop new capabilities to tackle them, as we will show in the following pages. Mapping the road ahead will save companies time—and that could be critical,

STAGE 1 Viewing Compliance as Opportunity	STAGE 2 Making Value Chains Sustainable	STAGE 3 Designing Sustainable Products and Services	STAGE 4 Developing New Business Models
<p><b>CENTRAL CHALLENGE</b> To ensure that compliance with norms becomes an opportunity for innovation.</p>	<p><b>CENTRAL CHALLENGE</b> To increase efficiencies throughout the value chain.</p>	<p><b>CENTRAL CHALLENGE</b> To develop sustainable offerings or redesign existing ones to become eco-friendly.</p>	<p><b>CENTRAL CHALLENGE</b> To find novel ways of delivering and capturing value, which will change the basis of competition.</p>
<p><b>COMPETENCIES NEEDED</b></p> <ul style="list-style-type: none"> <li>» The ability to anticipate and shape regulations.</li> <li>» The skill to work with other companies, including rivals, to implement creative solutions.</li> </ul>	<p><b>COMPETENCIES NEEDED</b></p> <ul style="list-style-type: none"> <li>» Expertise in techniques such as carbon management and life-cycle assessment.</li> <li>» The ability to redesign operations to use less energy and water, produce fewer emissions, and generate less waste.</li> </ul>	<p><b>COMPETENCIES NEEDED</b></p> <ul style="list-style-type: none"> <li>» The skills to know which products or services are most unfriendly to the environment.</li> <li>» The ability to generate real public support for sustainable offerings and not be considered as “greenwashing.”</li> </ul>	<p><b>COMPETENCIES NEEDED</b></p> <ul style="list-style-type: none"> <li>» The capacity to understand what consumers want and to figure out different ways to meet those demands.</li> <li>» The ability to understand how partners can enhance the value of offerings.</li> </ul>
<p><b>INNOVATION OPPORTUNITY</b></p> <ul style="list-style-type: none"> <li>» Using compliance to induce the company and its partners to experiment with sustainable technologies, materials, and processes.</li> </ul>	<p><b>INNOVATION OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>» The capacity to ensure that suppliers and retailers make their operations eco-friendly.</li> <li>» Developing sustainable sources of raw materials and components.</li> <li>» Increasing the use of clean energy sources such as wind and solar power.</li> <li>» Finding innovative uses for returned products.</li> </ul>	<p><b>INNOVATION OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>» The management know-how to scale both supplies of green materials and the manufacture of products.</li> <li>» Applying techniques such as biomimicry in product development.</li> <li>» Developing compact and eco-friendly packaging.</li> </ul>	<p><b>INNOVATION OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>» Developing new delivery technologies that change value-chain relationships in significant ways.</li> <li>» Creating monetization models that relate to services rather than products.</li> <li>» Devising business models that combine digital and physical infrastructures.</li> </ul>

## A Few Simple Rules

Smart corporations follow these simple rules in their effort to become sustainable.

**Don’t start from the present.** If the starting point is the current approach to business, the view of the future is likely to be an optimistic extrapolation. It’s better to start from the future. Once senior managers establish a consensus about the shape of things to come, they can fold that future into the present. They should ask: What are the milestones on the path to our desired future? What steps can we take today that will enable us to get there? How will we know that we are moving in that direction?

**Ensure that learning precedes investments.** Top management’s interest in sustainability sometimes leads to investments in projects without an understanding of how to execute them. Smart companies start small, learn fast, and scale rapidly. Each step is broken into three phases: experiments and pilots, debriefing and learning, and scaling. These companies benchmark, but the goal is to develop next practices—not merely mimic best practices.

**Stay wedded to the goal while constantly adjusting tactics.** Smart executives accept that they will have to make many tactical adjustments along the way. A journey that takes companies through five stages—and lasts a decade or more—can’t be completed without course corrections and major changes. Although directional consistency is important, tactical flexibility is critical.

**Build collaborative capacity.** Few innovations, be they to comply with regulations or to create a new line of products, can be developed in today’s world unless companies form alliances with other businesses, nongovernmental organizations, and governments. Success often depends on executives’ ability to create new mechanisms for developing products, distributing them, and sharing revenues.

**Use a global presence to experiment.** Multinational corporations enjoy an advantage in that they can experiment overseas as well as at home. The governments of many developing countries have become concerned about the environment and are encouraging companies to introduce sustainable products and processes, especially for those at the bottom of the pyramid. It’s easier for global enterprises to foster innovation in emerging markets, where there are fewer entrenched systems or traditional mind-sets to overcome.

### **Conclusion**

Building on the notion that the highest order dynamic capabilities—sensing, seizing, and transforming—are most relevant for innovating business models , our analysis revealed organizational design factors at an institutional, strategic and operational level that inhibit or enable those dynamic capabilities for sustainable development P