

# Evidence Based Quality Improvement for Most Businesses Sustainability

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Article Info	ABSTRACT
<p><b>Article history:</b></p> <p>Received : 13.01.2025                      Revised : 17.02.2025                      Accepted : 24.03.2025</p> <p><b>Keywords:</b></p> <p>Business Sustainability;                      Continuous Improvement;                      Data-Driven Decisions;                      Evidence-Based Practices;                      Quality Management</p>	<p>The importance of applying sustainability in business has never been more important than it is today, with 62% of consumers willing to change their purchasing habits in order to be more environmentally friendly. Yet, companies are rushing to adopt sustainable practices when they miss the mark. In fact, from 2018 to 2022, only 47 percent of the material topics were related to Environment, Social and Governance (ESG) pillars which means there is a huge gap in comprehensive sustainability implementation. What we're seeing as we transform is that sustainability is leading us from consumer loyalty to employee satisfaction. IBM research concludes that 70 per cent of employees believe sustainability programs are an important 'pull' factor for employers, and that 77 per cent of executives believe sustainability is also a 'push' factor in converting customers to repeat buyers. But here, even with such statistics, many business struggle in implementing effective sustainability initiatives to handle three pillars of sustainability – environmental, social, economic. In reading this article we will explore why most businesses fail with Sustainability and how evidence based quality improvement methods can be used to turn things around. I'll take you through some practical solutions that eliminate weeds in the common pitfalls others make when embarking on a sustainability journey and in trying to find ways to create meaning, meaning in any organizational sustainability.</p>

## 1. The term Measurement Illusion: Why Sustainability Efforts Fail

Unsurprisingly, many organizations have too few common standards for internal measurements for sustainability performance. This problem is not merely a question of Accenture executive support or senior management advocacy: There are no global standards for measuring and assessing the social, environmental, and economic impact of corporate activities [1]-[4].

### 1.1 Confusing Activity with Impact

Sustainability reporting is mistaken for real progress by organizations. Now, 43 per cent of companies don't have confidence in being able to track their performance and there are 47 companies that have tools that actually don't deliver enough value. This disconnect also found itself during then when companies produce long sustainability reports but do not change their strategies regarding Environmental, Social, and Governance (ESG) factors.

Data collection is not a challenge in itself. Despite the use by companies of state-of-the-art

technology to measure greenhouse gas emissions, carbon dioxide output can still be off by miles from industry peers or results that indicate progress toward internationally agreed emission reductions. Additionally, physical measures, like kilograms, liters, or hectares clearly do not denote how business activities truly affect, which can change wildly from place to place [5]-[8].

### 1.2 The Data Collection Challenge

All the way there are numerous obstacles in finding the path to effective sustainability measurement. Most sustainability teams have to deal with data scattered across operations, procurement, human resources, finance and legal. It fragmented the information and this means that insights require time and effort to obtain.

Sustainability data collection is shot through with an "impossible triangle" of time, money and data quality. Balancing the need of collecting data in an expeditious manner as inexpensively as possible without sacrificing accuracy and reliability is a fact faced by organizations. Moreover, as the complication increases when we have to deal with

external parties, for instance, data that is from leased assets or even from suppliers.

ESG baselines and SMART (specific, measurable, attainable, relevant and time based) targets are anchored in quality data, which creates an ESG baseline. However, three out of four organizations (77%) have communicated their strategy at best only intermittently, or never at all, or only to particular organizational units [9]-[12].

### 1.3 The Missing Forest for the Trees

When companies solely concentrate on individual metrics, critical oversight is made. For example, measurement of CO2 concentration alone is very limited. It's only when you see the 'impact pathway,' which is how higher CO2 levels lead to an increase in global temperatures, which results in higher sea levels, and which pushes coastal communities to relocate.

However, companies often overlook potential science based Key Performance Indicators (KPIs) that would set targets for water use, stakeholder protection or eliminating waste from manufacturing. An organization cannot see the picture of its environmental and social impact.

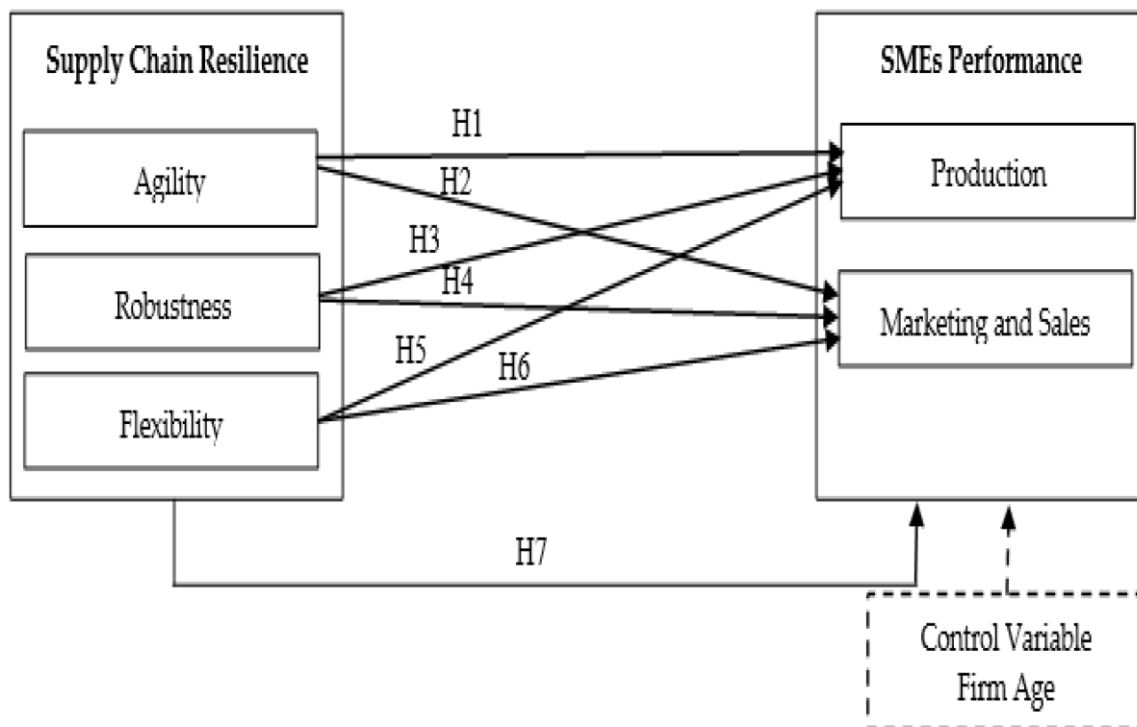
This makes the challenge even more severe given that sustainable strategies are still immature in terms of how the employees understand them. In 71% of the companies, staff has no strategies or

does not understand them. Nearly two thirds of organizations with set strategies are also confused about their impact and direction (to employees). If this foundational knowledge isn't present, front line workers cannot provide informed, day to day decisions on which to act or help contribute to team or whole sustainability targets.

The reason that the illusion persists is because sustainability commitments are far less urgent or rigorous than other business objectives. However, this shortfall not only has the potential to harm the environment or social context and to hinder business effectiveness, but also. This cry does not come as an isolated call for something, but in order to move forward, organizations have to begin to evolve in thinking that sustainability metrics are all interconnected, representing the long term impact on business success and, in turn, global well being [13]-[18].

### 1.4 Imbalance Across the Three Pillars of Sustainability

Sustainability is not as simple a thing as either the environmental or economic factors; there is a careful balance between them all, which for true sustainability, makes it safe from itself. But most organisations fail to keep the balance between these pillars intact, often choosing one at the cost of the other.



**Fig 1. Environmental Overemphasis at Social Expense**

Often, disproportionate attention is afforded to the environmental pillar in the corporate sustainability strategy. Personally, I think that

environmental initiatives are still really important, but focusing only on cutting our carbon footprints, cutting down our packaging waste and cutting

down on water usage doesn't consider equally important social matters.

Businesses today suffer mounting pressure to respond to environmental matters and first and foremost to reduce greenhouse gas emissions and switching to renewable energy sources. While these efforts need to be taken on board, organizations often do not focus on the social sustainability aspects, such as worker well being, human rights, community development.

They also include the following dimension of social sustainability; public health, education, equity and fundamental human rights. Nevertheless, companies tend to overlook these considerations as they focus on displaying environmental excellence. This imbalance undercuts sustainable development, especially considering the fact that social elements affect the setting out of nine from the UN Sustainable Development Goals [19]-[22].

## **2. Economic Considerations That Get Overlooked**

Occasionally referred to as the governance pillar, the economic pillar is even more extensive than simple profitability. Responsible financial management, sound investment decisions, and maintaining profitability without compromising stakeholder interests is what it totally encompasses. Unfortunately, most organizations have either overemphasized or downplayed economic sustainability in order to achieve the environmental goal.

Efficient resource management and continuous operational profits are the requirements for economic sustainability. However, the management of resource efficiency has to be exchanged with the financial stability of the organization; for example, raw material cost, energy price and consumer preferences. According to present, most companies are facing off front expenses of sustainable technology, and hence green loans or government grants are needful tools to consider [23]-[24].

At the same time, the economic dimension is an important factor in encouraging innovation and operational efficiency. Strategic planning and setting of long term goals can help businesses get over hurdles in sustainable technology adoption. This in turn, makes the company more competitive

in the global market and enhances risk management potential.

## **2.1 The Interconnected Nature of Sustainability Pillars**

Sustainability is intrinsically interdependent on the actions on one pillar generating a cascading effect in the other two. For example, environmental sphere's responsible resource management linearly influences the economic stability and food chain resiliency. Social sustainability initiatives also affect environmental and economic outcomes in the same manner.

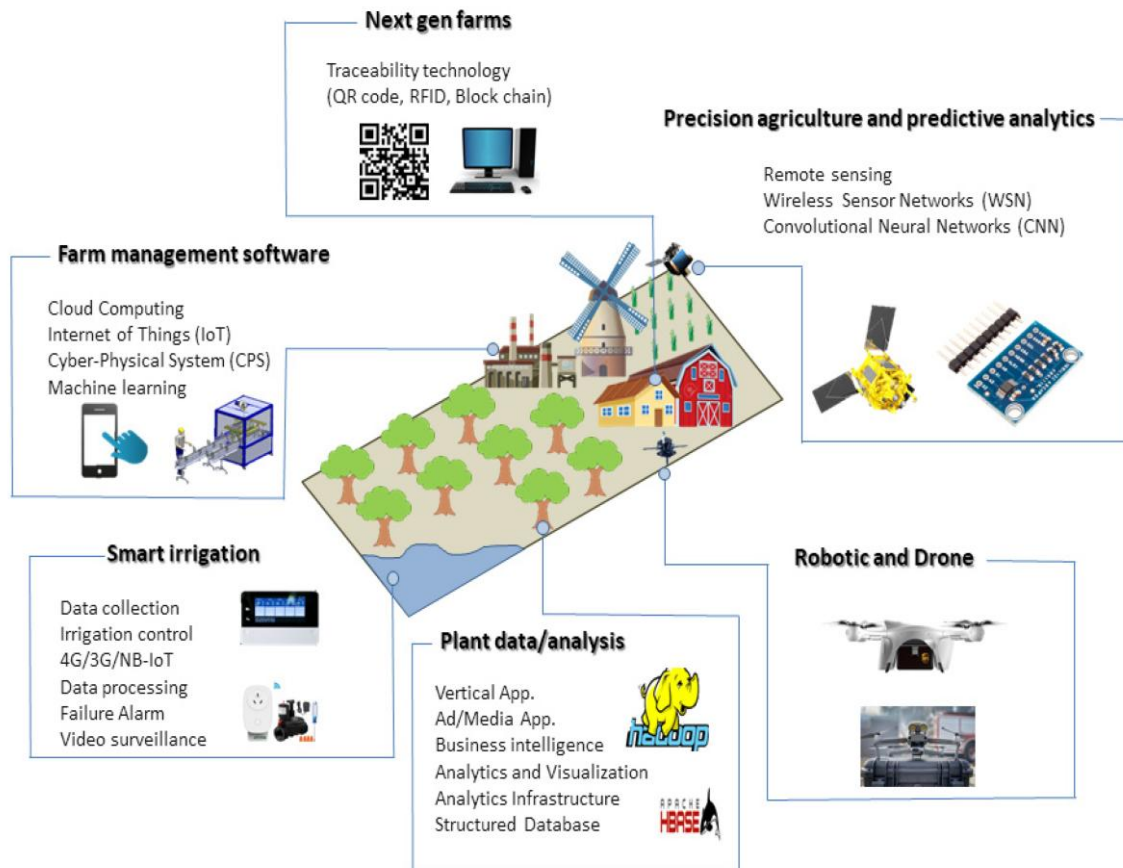
Consistent with it is the transition towards a low carbon economy. While mainly an environmental boost, this change also provides business opportunities, leads to innovation and helps to foster business competitiveness. It simultaneously affects the social aspects by providing new job opportunities and improving community health by reducing pollution at the same time.

This understanding is essential for achieving true sustainability. While environmental metrics are important, they cannot deliver complete sustainability without first acknowledging they need to go beyond exclusively focusing on environmental metrics. Success, on the other hand, requires the balancing of the three pillars via integrated approaches that take into account the mutual dependencies and interações between them.

A more nuanced approach to implementing sustainability is needed to head down the path towards this. Organizational sustainability strategy effectiveness is enhanced through acknowledgement and active management of relationships between environmental, social and economic factors. This balance is a great way and provide beneficial input for society and environment on the long range [25]-[27].

## **2.2 The Metrics That Mislead Businesses**

However, businesses tend to get fooled by fake sustainable metrics, so they do not pay attention to the real performance. Ignoring these measurement missteps can actually hold back true progress toward sustainable business practices, as well as squander valuable resources.



**Fig 2.** Vanity Metrics vs. Impact Metrics

Although surface level statistics are appealing for presentation, they do not lead to results that make sustainability improvements. Any vanity metrics produce false sense of progress but they don't help on delivering actionable insights into how business is performing. Typical metrics for these kinds of numbers include impressive sounding numbers that are larger but have no context, such as reporting 100,000 liters of water saved as 100 kiloliters, even though we convert now.

Impact metrics on the contrary are grounded on business priorities and enable decisions that are based on facts. These metrics tie sustainability work to revenue, customer retention and operational efficiency. For example, as opposed to simply stating the number of measures used for sustainability initiatives, average service costs, and thus, a full payback period, shed more light.

As organizations attempt to show environmental responsibility, the distinction becomes critical. In fact, companies frequently showcase big flashy numbers, not meaningful contextually appropriate numbers. This distorts the public's understanding of what actually makes a difference in the area of environmental conservation [28]-[29].

### 2.3 Short-term vs. Long-term Measurement

One of the challenges introduced by the temporal divide in sustainability measurement is that. Metrics of a short term view are called for now, such as current water usage or current emissions data measured on a quarterly basis, hinting at what is coming. Conversely, long term assessments look to climate adaptation strategies and biodiversity impacts that are realized over many years or more.

Yet there are several key obstacles to sustainability teams if there is a divergence. With measurements over extended periods and projects having long coordination time, consistency in measurement methods is required for the data collection and storage. However, there is a thorough balance to be struck between the short term needs of timely reporting and the consideration for the long term strategic plan.

Nevertheless, the UN Emissions Gap Report highlights that based on current actions, only cuts to half annual greenhouse gas emissions in seven years could be achieved. The urgency brings to light the lack of putting out distant marks without sensible brief term activity plans.

However, some companies have successfully undertaken this challenge. The example of such an effective short term goal setting, is US shoe manufacturer Toms, which commits to make its

cottons completely sustainable by 2025 and promises to reduce its year-on-year carbon footprints. In effect this approach shows that short term financial goals can be achieved with no sacrifice in returns.

In order to measure effectively, one needs to define relationships between current activities and next steps. Interim targets between the short and long term need to be developed, consistent base line methodologies over time horizons need to be created and flexible data management systems made that respond to changing needs.

Sustainability programs quality and transparency vary widely. Another investigation showed that 90 percent of world's leading certifier's offsets didn't result in real reductions in emissions. These findings demonstrate the need for high quality measurement and verification processes.

Sustainability key performance indicators should be metrics that track specific, measurable metrics on environmental, social and economic impact. Included in that are energy consumption, carbon footprint, waste production, water use and

recycling rates. Organizations can better understand their contribution to atmospheric heat retention by analyzing materials such as greenhouse gas emissions, including carbon dioxide, methane, nitrous oxide, and fluorinated gasses.

Forward thinking businesses know that sustainability measurement has to be on both short term performance and long term impact. By focusing on dual goals of environmental and social improvement that are more than just superficial measures, this dual focus allows organizations to stay accountable to their goals and maintain a measure of accountability in good faith in the work they do [30]-[33].

## 2.4 Common Sustainability Implementation Failures

A shocking percentage of 98% of sustainability initiatives fail to achieve their goals. Two of the most critical shortcomings in how organizations implement sustainability have lead them to fail on this project in widespread.

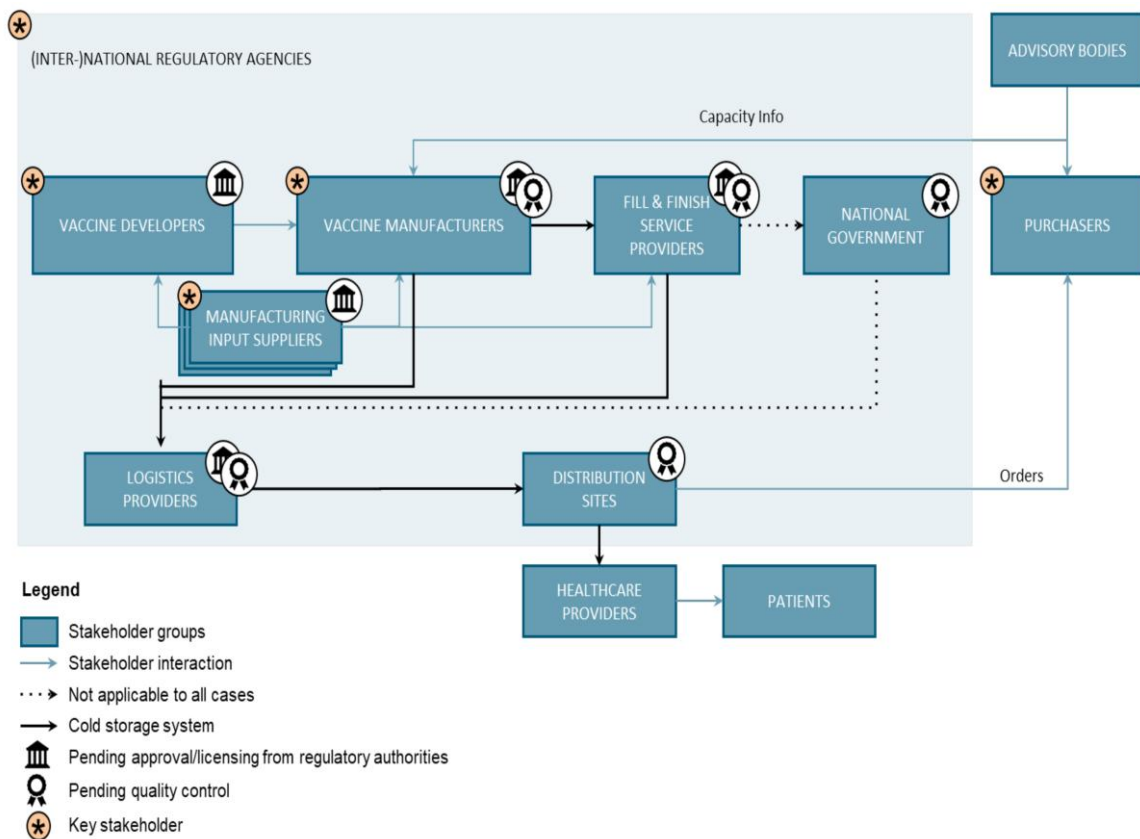


Fig 3. Lack of Executive Buy-in

The core of successful sustainability programs is executive support. Sustainability initiatives don't have a chance without leadership backing to get the financial support or have the organization behind it to keep the momentum going. It also gives executive buy in to sustainability, creating it

an integral part of the company's mission, and aligning it to organic strategic goals. Organizational change can be driven by leaders that set clear expectations, set high expectations in the departments, and hold departments accountable for achieving the sustainability target.



However, only 82 percent of decision makers are prepared to take regulatory penalties over putting the sustainability into practice. At the top level, this resistance forms a ripple effect that shatters progress in achieving environmental and social goals within the organization. If executives actively support sustainability efforts, it should result in streamlining the decision making processes, while assisting in the speedy reply to sustainability challenges.

## 2.5 Insufficient Resource Allocation

Sustainable development has a pivotal role to play in resource allocation but is not harnessed by the majority of organizations as requisite support. The thing is proper allocation requires balancing shorter and earlier project needs as opposed to long term sustainability goals. The economic stability must be balanced with environmental protection when deciding on resource.

Resource management requires innovative approaches towards sustainable development. It includes introducing new technologies and procedures that boost efficiency and spare as little environmental as possible. Additionally it calls for involvement of all stakeholders including local communities as well as environmental groups in order for the allocation to be successful and the benefits to be distributed equitably.

## 3. Siloed Sustainability Initiatives

Sustainability efforts are no longer a specialized concern belonging to different departments of an organization – that is the traditional approach. Sustainability needs to be addressed across the organization with 65 - 95 percent of an organization's environmental impact taking place within its supply chain. Organizational silos block companies from integrating sustainability across all operations: not just operations but also partnering with business customers, shipping, procurement, HR, IT, and others.

You get sustainability silos when you hire environmental specialists without integrating this knowledge into the organization. Despite a great amount of sustainability expertise that new hires bring to their new organizations, there are barriers when trying to implement practices across the rest of departments. But overall, to achieve success, sustainability knowledge must be spread outside a single team and across multiple disciplines.

### 3.1 Failure to Engage Employees

Yet employee engagement is a highly critical, yet often under taken aspect of sustainability implementation. Surprisingly, 45% of employees have had no such dialogue with her managers. At 80 per cent, such employee activism drives most corporate sustainability actions, meaning that the

gap in this communication has major implications for program effectiveness.

Several challenges exist in terms of engagement in organizations; for instance, there is excess bureaucracy and lack of recognition systems. At least 82 percent of employees have suggestions that could boost business performance but just over one-third are able to convey them to management above them. Those companies also show double the engagement scores if they actively respond to employee feedback versus those companies that don't.

Basic failures that lead to unsuccessful sustainability implementation need to be on the table. According to the author, organizations must stimulate executive commitment, allot adequate resources, chop down departmental silos, and involve their workforce. However, businesses can skip these common pitfalls, and successfully plan and work towards enduring benefit for the environment and society through strategic thinking and effort.

## 3.2 Evidence-Based Sustainability Framework

Sustainability implementation has to be realistic and needs to be based upon a structured, evidence based approach that goes as far beyond the traditional reporting methods. According to research, organizations which have put in evidence based sustainability frameworks secure 25% higher success rates than those who haven't invested in them.

### Defining Meaningful Outcomes First

Alignment with global sustainability goals and thresholds is needed to establish clear sustainability outcomes. Specific objectives that aim at both planetary boundaries and the formation of inclusive societies are needed for organizations. These outcomes encompass climate change mitigation, deforestation prevention, biodiversity protection, and human rights advancement.

First, approach to sustainability outcomes is benchmarked with the analysis of their interconnected global systemic crisis. According to studies, the companies who focus on the holistic definition of the outcomes are 12% more successful in realizing their sustainability goals. Outcomes are defined in its effectiveness based on the interdependencies between positive and negatives impacts particularly with regard to human rights and environmental protection.

### 3.3 Establishing Baseline Measurements

With regard to planning for sustainability, it is essential to work from a comprehensive baseline data. Baseline assessments allows organizations to have an understanding of what they currently have without making the improvement first.

Measurement requires gathering of data available from ready sources to have means of checking it repetitively and economically.

The baseline assessment approach encompasses sustainability indicators across multiple dimensions. It's best for organizations to have their baseline data collection sync up with the fiscal year, thereby assuring integration of it with other reporting cycles. By virtue of this alignment mapping can occur across both financial as well as non financial metrics under consistent timeframes.

### **Implementing Controlled Interventions**

Organizations use transformational research frameworks to guide them through transforming by undertaking controlled interventions. By combining methods in different sequences, they create a meaningful unity of methods in these frameworks and produce actionable knowledge for sustainability. Typically the intervention process is through real world experimentation, collective learning and constant change.

Intervention strategies are given a local perspective. Research indicates that it is essential to integrate existing forms of local initiatives, based on the experience of those actors local, to develop effective intervention strategies. This approach is based on using local knowledge, experience, and the contact with people – to promote change that carries significance.

### **Continuous Measurement and Refinement**

The continuous improvement principles are an effective way for reaching the goals aimed at the long term sustainability. Yet, organizations must always keep assessing, evaluating all processes and systems in order to get them to better results. Companies can measure and analyse regular energy use, waste production and other environmental impacts so can identify areas of improvement.

Analysis of these data shows that the best performing organizations at driving cultural change toward sustainability have leaders that invest in employee engagement, utilize person enabling technologies, and run disciplined improvement methodology on a regular basis. To this day, more than 40 percent of companies that implement continuing improvement programs falter over time, reiterating the need for continued dedication and perfecting.

In order to include continuous improvement within existing governance models, the evidence-based framework mandates that organizations. Planning for success is well harmonised, management and teams are able to rely on confidence and consistency and change in a positive light. The systematic approach to

performance measurement allows organizations to change their approaches to sustainability strategies through adjustments based on measured outcomes and changes in requirements.

## **4. Quality Improvement Methodologies for Business Sustainability**

Powerful frameworks for sustainability successes across the three pillars of sustainability are provided by quality improvement methodologies. When used strategically, these methodologies produce measurable improvements in environmental performance and operation efficiency.

### **4.1 Six Sigma for Sustainability Processes**

With such a data driven precision, Six Sigma methodology uses a Define, Measure, Analyze, Improve, and Control (DMAIC) framework to take sustainability efforts into depth. Results from previous research suggest that Six Sigma methodology when coupled with data driven decision making will improve environmental performance in the manufacturing industries. Six Sigma's structured approach especially works well to cut down energy consumption, emissions, and waste formation in a number of sectors.

Six Sigma usage for sustainability lead to very high improvements in organizations' environmental metrics. The paper also well matches with the methodology centered on statistical tool and project management in the area of sustainable continuous improvement initiatives. Six Sigma analyzes the data rigorously, optimizes processes in order to identify and eliminate Sustainability related defects in order to improve environmental and economic outcomes.

### **4.2 Lean Principles for Resource Efficiency**

As wasting leads to both their own death and it contributes in a negative way to the environment for the next generation, the principles of lean manufacturing are helping towards the sustainability goals by eliminating wastes and finding ways to optimize processes. The five core principles of customer value, value streams, flow, pull, perfection, all combined, naturally fit with environmental stewardship. Studies have shown that Lean applies and the reductions in environmental footprint are significant.

Value Stream Mapping (VSM) is a primarily Lean tool allowing companies to visualize material and information flows as well as their environmental waste streams. Just In Time (JIT) production is the second major Lean concept that reduces resource consumption by producing only when needed. It reduces excess inventory and the environmental impacts that go with it.

**Table 1:** Core Elements of Evidence-Based Quality Improvement (EBQI)

Element	Description	Role in Sustainability
Data-Driven Decision Making	Utilization of performance metrics and analytics	Informs actionable strategies and tracks progress
Continuous Improvement Cycles	PDCA (Plan-Do-Check-Act) and Lean Six Sigma frameworks	Ensures ongoing refinement of processes
Stakeholder Involvement	Engaging employees, customers, and partners	Encourages ownership and shared accountability
Evidence Synthesis	Use of research findings and case studies	Aligns strategies with proven industry best practices
Outcome Measurement	Focus on measuring real-world impacts	Validates effectiveness and supports long-term planning

The 5S methodology of Sort, Set in order, Shine, Standardize and Sustain greatly helps in work place organization and environmental sustainability. Such a workspace gives rise to more efficient resource utilization and less environmental impact. Additionally, Lean also pushes for continuous improvement (aka Kaizen) in the form of making continual efforts to reduce energy use and material waste.

#### 4.3 PDCA Cycles for Sustainability Initiatives

The Plan-Do-Check-Act (PDCA) cycle is a systematic approach for introducing, implementing, and sustaining sustainability improvement[s]. It is an iterative process: finding out about planning changes, implementing them, observing results, and deciding upon corrective actions. Studies indicate that PDCA cycles can facilitate companies in making the right decision of which sustainability efforts achieves expected results.

During the planning phase the organizations define their sustainability policies, define the material issues and set out their clear objectives. Implementation phase's step includes assigning resources that are necessary and establish the operational controls the proper functioning of the activity. The check phase is used to measure and evaluate performance versus the compliance criteria and sustainability goals, which are regular and evaluated during the check phase.

The action phase is a continuous improvement, as organizations looking for ways to improve will isolate and prioritize locations for improvement. This systematic approach allows companies to continue on the sustainability path with this nature of changes in requirements and stakeholder expectations. Data suggests that organizations that managed to implement PDCA cycle have higher success rate in driving cultural change to sustainability.

These methodologies work alongside each other, rendering them to become synergistic for enhancement of sustainability outcomes. With six sigma being a data driven approach, and

combining six sigma with lean will add a much broader picture in running improvement activities along the entire value stream. These methodologies are tied up in the PDCA cycle that allows for continuous refinement and adaptation of sustainability initiatives. Combined, these approaches create conditions that give organizations real potential to make substantial progress along environmental, social, and economic dimensions of the sustainability.

#### 4.4 Case Studies: Transformation Through Evidence-Based Approaches

The evidence based examples illustrate how sustainability initiatives can be turned into a measurable success. Using these case studies as examples, we will delve into how organizations have garnered fabulous results by adhering to the application of sustainability practices.

##### Manufacturing Sector Success Story

Interface, the largest modular carpet manufacturer in the world, is evidence of evidence-based sustainability transformation. The company achieved some great achievements through its "Mission Zero" initiative with the reduction of market base greenhouse gas emissions by 97%. But the manufacturer's idea of sustainability is not limited to emissions: they generate 67% less waste, and are crafted with an average of 52% recycled or biobased materials.

The ability to use renewable energy sources effectively is what made the company so successful, as 79 percent of the company's total energy consumption is from renewable sources. This is a strategic shift towards sustainable manufacturing practice where evidence based decision making can provide very large environmental improvements while maintaining business performance.

Toyota's manufacturing facilities in parallel show how lean principles when combined with sustainability goals provide the enabling power. But huge reductions in energy consumption and emissions followed from the automotive giant's



commitment to continuous improvement. The step they take to integrate all this includes minimizing water usage, developing end of life recycling technologies, and engaging in cooperative relations with local communities.

## 5. Service Industry Breakthrough

E.SUN Bank is a prime example of organizations in the service sector, capable of being pioneering in the field of sustainability. The validation from the UN backed Science Based Targets initiative (SBTi) makes it the country's first and world's third bank to be recognised. For all service industries this sets a benchmark for implementing science based sustainability targets, which are measurable.

**Table 2: Comparative Impact of EBQI Implementation Across Business Sectors**

Business Sector	Key Quality Challenge	EBQI Solution Applied	Improvement Observed
Manufacturing	High defect rates	Six Sigma with real-time monitoring	42% defect reduction
Healthcare	Patient safety lapses	Clinical audits and EHR analytics	35% drop in adverse events
Retail	Inconsistent customer experience	Voice-of-customer feedback analysis	28% increase in customer satisfaction
Education	Low teaching effectiveness	Faculty development based on data	30% rise in student performance
Finance	Operational inefficiencies	Process mapping and automation	40% boost in transaction accuracy

The UPS impressive service industry transformation is one that involves their ORION (On Road Integrated Optimization and Navigation) system. This AI powered route optimization tool was first implemented in 2012 which results in saving 10 million gallons of fuel annually. Shipping heavy goods by air, rather than shipping smaller items like packages in trucks, is beneficial for the environment since the environmental impact is substantial, cutting UPS' carbon footprint by 100,000 metric tons per year or removing more than 20,000 cars from the roads.

The success of First Solar is the story of how renewable energy and sustainable business practice intersect. In contrast, the company's approach to sustainability is more detailed, representing the fact that service providers do not have to sacrifice profitability for environmental impacts.

It took L'Oréal Indonesia almost 10 years to reach 100 percent renewable energy usage in facilities where it operates, is the significant service industry sustainability milestone. The achievement shows how transitioning to renewable energy sources can be done while running operations perfectly.

There is compelling evidence of sustainability transformation in the healthcare sector. Systematic engagement of employees led one large healthcare systems to fundamentally improve waste management strategy. For example, this contains concrete examples of how structured, evidence based approaches to sustainability can have a substantial environmental impact in service organizations.

These case studies point to an important finding: in all cases, organizations who are rated as highly successful on sustainability measures have similar elements — clear measurement frameworks, well-defined implementation approaches, and strong accountability to ongoing improvement. The evidence of their achievements shows that sustainability initiatives based in evidence have demonstrated tangible environmental benefits associated with operational advantages.

### 5.1 Accountability of being sustainable

An organization needs a systematic understanding of and accountability for building a sustainability culture. Recent studies show that 47 percent of corporate directors support whole integration of sustainability into executive performance metrics, which corroborates the fact that accountability is gaining prominence in relation to the sustainable practices.

### Aligning Incentives with Sustainability Goals

Corporate sustainability targets are very much achievable via financial incentives. Less than half (38 percent) of firms even have sustainability objectives baked into their long-term incentives that span three to five years. Only 10 – 20 percent of total incentive pool is allocated for sustainability incentives, which is too small to prompt big behavioral changes.

This third challenge is the narrow focus of sustainability incentives, as fewer than 7% of companies expand it to all employees, fewer than 16% to senior management and about 75 percent for top executives alone. However, this limited

scope does not engage with vital operational roles that would enable the embedding of sustainable practices.

Clear, quantifiable metrics specific to people's roles are needed to have effective incentive structures. However, only 20% of companies tailor Key Performance Indicators (KPI's) to respective job functions. Success organizations in sustainability initiatives always have higher engagement when the incentives align with daily operating activities.

## 5.2 Transparent Reporting Practices

Practical approaches to measurement for cultural growth are through regular employee surveys on awareness, engagement and the extent of commitment to sustainability practices among employees. Organizations can effectively track cultural strength by continuous monitoring of participation raters in sustainability programs and incorporation of sustainable practices in their daily operation.

To keep the employee engaged, effective communication regarding Environmental, Social, and Governance (ESG) developments is important. Regular updates on ESG goals, progress and challenges help employees to understand the importance of them and comprehend their roles in achieving that. This transparent approach to transparency builds trust and bestows the commitment to sustainability.

Corporate Social Responsibility (CSR) committees are strong facilitators of a corporate sustainability culture. These committees connect the efforts to the strategic goals; they communicate with stakeholders well; and they spend resources rationally. Also, this allows hosting regular gatherings where there is always an opportunity for interaction and education as well as communication within the environment.

## 5.3 Stakeholder Engagement Strategies

Stakeholder engagement goes way beyond the traditional boundaries of community, environment and all the way up to society at large. It is the process that includes finding out and understanding all these stakeholders across the range of local communities, customers, employees, suppliers, governmental bodies, investors, and NGOs. As with any comprehensive approach, it provides an opportunity for organizations to anticipate and mitigate risk while also creating those opportunities for innovation.

To succeed in effective stakeholder engagement, a structured approach should follow AA1000 Stakeholder Engagement Standard. It sets forth principles of inclusivity, materiality and responsiveness, and makes organizations aware of

the stakeholder expectations around governance, strategies and performances.

Six key stages of an engagement process are the mapping of stakeholders, one way consultation through surveys, a two way dialog through stakeholder platforms, engaging stakeholders in particular sustainability projects, forming partnerships to attain pre determined targets and validation of progress. This systematic one involves all the stakeholders involved in the journey from the beginning until the end.

Therefore, organizations must cater to diverse interests and expectations of stakeholder groups. Each group of customers, employees, suppliers, community members or investors have various priorities and concerns. However, to succeed in these, various viewpoints (and constant alignment with organizational sustainability goals) have to be engaged and balanced.

Organizations can work with a field of strategic stakeholders to discover potential environmental or social negative impact of the projects, pinpoint emerging issues of potential risk to the projects, and examine cultural issues that need addressed. A proactive approach in this manner significantly decrease the risks, hasten discovering the opportunities and facilitate the response to alternations in the operational environment.

## 6. CONCLUSION

Sustainability success requires much more than superficial metrics and isolated initiatives. Meaningful environmental impact in organizations is achieved through the evidence based approach, balance on all sustainability pillars and robust accountability systems. Companies that are excelling in sustainability all have common characteristics: clear measurement frameworks, systematic quality improvement methodologies, and completely dedicated to ongoing refinement. The reason that they have succeeded is predicated on tearing down department silos, convincing senior management, and engaging staff up and down the line. Lack of evidence based frameworks is found to be an important issue for converting sustainability aspirations into measurable achievements. Interface and E.SUN Bank are good examples of organizations that are implementing structured approaches and managing to achieve substantial environmental benefits, without sacrificing business performance. For these success stories highlight the power of Six Sigma precision met with the efficiency principles of Lean. It's still important to engage with stakeholder. Wherever there is more than one viewpoint, companies must balance that viewpoint with the needs of the organizational goals. Organizations develop culture in which sustainability is integral to normal operating

practices, rather than just a set of initiatives. To move forward, organizations need to adopt holistic ways of thinking (at least) environmental, social and economic dimensions equally. It is only through rigorous measurement standards, quality improvement methodologies, and true commitment to sustainable practices that success can occur. These evidence based strategies help businesses create the impact that matters and the long term success.

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