

**Organizational Sustainability**

Name

MGMT 832: Organization Innovation and Scenario Thinking

Institution

April 30, 2023

## **Organizational Sustainability**

### **Strategies for sustainability effectiveness**

The concept of sustainability effectiveness is closely tied to the core elements that define the success of an organization, which are: the structures, the culture, and communities. Thus, the overall strategies that lead to sustainability effectiveness are those which align the sustainable organization priorities with the aforementioned elements. For the structures determine how the organization functions, and the ability to anticipate whether the organization has the capacity and management system to implement the desired outcomes (Lawler & Worley, 2011). In this regard the core strategic steps in structure is the management reset which is how the organization prepares for new changes, and positions itself to implement such changes.

The other core strategy is cultural realignment and orientation. The sustainable organization has to possess a culture of innovation, problem solving, and long-term forecasting. This culture is cultivated when the organization takes radical steps to overhaul some of the practices that are no longer relevant to the firm, and adapting the ones which are useful to the firm. The cultural realignment process involves core elements such as offering the vision, and setting new core values. For instance, a sustainable organization with a focus on providing clean energy for the planet will consider its core values to be climate change alignment, green energy, and affordability as tenets of its corporate cultural vision and invariably impact on its values (Han, 2021; Lichtenthaler, 2021). For these issues to thrive, it is necessary for the organization to have a commitment to research, innovation and value over profits. These core concepts should be held up against the conventional standards of practice that have defined

the given firm, such as profitability, and assembly line approach to industrialization. Therefore, laying a strategy shows the given culturally based methods, processes and practices that shall be adapted by the firm and which shall no longer be relevant.

The other strategy is based on building sustainable communities which nurture stakeholder involvement in sustainability. Organizations are like living beings with various stakeholders ranging from the shareholders, to the employees, customers, management, suppliers, regulators and third parties (Freudenreich, et al., 2020). Therefore, it is necessary to think about the impact of shifting to sustainable organization to these stakeholders, and what sustainability processes must be put in place to optimize on their participation. Some of these include systemic, and system-based practices. The systemic practices include the manner in which the internal environment prepares for sustainability while the system-based practices are those which concern the entire operational element of the organization including third party relations (Freudenreich et al., 2020). Some of the systemic aimed practices that advance the value of the communities in sustainability is focusing on human resource-based initiatives such as training and employee motivation in building sustainable systems. In the concept of systems, the relations and processes that involve other members of the community is anticipated in developing measures such as contractual obligations, and third-party relations. In application of this latter example, persons such as suppliers have to be committed to producing support products to the organization or business in a manner that has respect for sustainable methods.

### **Why Sustainability Should be a Corporation's Top Priority**

Sustainability should be a corporation's top priority as it is the concept that defines whether the organization is able to endure for a long period of time, or is likely to decline or

eventually become obsolete under the changing tides of time. Therefore, a corporation should be able to consider how its micro systems align with the macro environment to ensure effectiveness or relevance in the industry it operates in (Alsayegh et al., 2020). For it occurs that today's corporate success stories could be the next case studies for failure, if they do not adapt quick enough or build systems that ensure their long-term sustainability. This is true in the 21<sup>st</sup> Century as it was in the 20<sup>th</sup> Century. For corporations that did not build sustainable systems, such as Nokia that for a short period dominated the markets and then faded under the weight of drastic market change (Bhole, 2020). These fast changes have been critical in defining the state and status of a company's overall position. Thus, sustainability ensures that a company stays relevant in the marketplace. This underscores the significance of building systems that ensure that a corporation endures the test of time, and its brand is associated with success and excellence during the fast-changing tech-led and sustainability-based landscape (Alsayegh, et al., 2020).

Besides, sustainability ensures that a company is assured of growth and competitiveness in the long term. Through modes of sustainability in the marketplace such as innovation and value chain adjustments, a corporation is able to improve its goods and/or services, while also coming up with new ones—to the customers' satisfaction, making it the more preferable company option in the marketplace. The end result is the capacity to carve out a market niche that assures the company of market dominance, and an increase in its overall profitability. Such examples include Apple Corporation, which, through sustainable systems, has in the last 20 years become the most preferable brand for tech hardware and software devices – and in the process becoming the second most valuable company in the world (Lichtenthaler, 2021). This is

true for companies that have embraced sustainability such as Amazon, especially in its structures, thus becoming the most preferred option for shopping, toppling the position of traditional retailers and curving for itself a market niche.

This is true for new age companies that are concerned with environmental and climate change sustainability issues such as Tesla, which despite facing initial production costs challenges—such as in 2008, is now in 2023 a global vehicle automaker leading the electric cars revolution (Han, 2021; Lichtenthaler, 2021). These examples indeed show that sustainability, whether through the continuous improvement of internal systems, and fast adaption through management reset and innovation, is relevant to a company's overall marketplace success through competitive advantage (Lichtenthaler, 2021; Alsayegh et al., 2020).

### **The challenges associated with implementing sustainable organizations**

The core challenge faced in implementing sustainable organizations is the lack of clear key performance indicators, regulations and compliance systems (Hristov & Chirico, 2019). Evidently, the success of any corporate issue, whether in the command control or in the high-involvement organizations, is based on its capacity to be measurable and implementable. The significance of developing performance metrics is to ensure that the company can track the level of progress made towards the fulfilment of its sustainability projects. For instance, when a new method or concept such as customer centered services is introduced in a company, there could be lack of clear guidelines of what defines the customer service excellence (Hristov & Chirico, 2019). Thus, defining clear parameters for sustainability actualization is useful in attaining the desired sustainability issue.

In addition, there is an absence of strong regulatory and compliance systems which makes it easy for employees to fall back to old patterns and stakeholders to use the methods that they are used to instead of fully adapting to the new methods. This affects the level of execution, and the related effectiveness. For instance, when there is a change from the work from office regime to working from home, it is likely that the employees would experience some shortcomings in their execution process. This is characterized by issues such as lack of the right technological software adoption, or human resource adjustment on employee engagement (Hristov & Chirico, 2019).

Besides, the concept of change is often more difficult to implement than often realized in the conception stages. As the company may require many hours of investment in training, and structural adjustments, and also a lengthy trial period for the management to experience alignment, there is lost hours and resources in productivity. This is often disappointing as the element of sustainability when measured through the lens of the medium term seems to be intractable or unrealizable. In so doing, those who pursue sustainability could be considered to fall short of the general performance expectations. In the case of a corporate organization, the fiduciary responsibility to the shareholders and the core stakeholders could ruin the process of building for the long-term success.

Another challenge that faces the implementation of sustainable organizations is the intersectionality of practice, and lack of structures to support the implementation of the sustainability goals (Abbas, 2020). The significance of existence of systems and structures is to ensure that the desired goal is executed with efficiency. The concept of sustainability ought to be operationalized through structural adjustments and in some cases putting systems in place.

In many cases, many organizations struggle or are slow in building these systems – either out of lack of sufficient capital and human resources or out of incompetence. This leads to either minimal results or failed project execution. This is more demonstrable in areas where there is need to conduct research and build innovation systems relevant to the execution of the given goal.

In conclusion, sustainability is a broad concept which requires an integration of several elements. While it is the best cause of action for an organization to stay relevant, it is useful for the organization to lay structures and systems, as well as work on cultural change to support the implementation of the new sustainability goals. Ultimately, the test of effectiveness is how well the corporation or organization is able to adapt its sustainability core goals without compromising the overall efficiency of the company. In view of this, then, sustainability should be a continuous process involving management result and incremental innovation in a company's or organization structures and systems.

## References

- Abbas, J. (2020). Impact of total quality management on corporate sustainability through the mediating effect of knowledge management. *Journal of Cleaner Production*, 244, 118806.
- Alsayegh, M. F., Abdul Rahman, R., & Homayoun, S. (2020). Corporate economic, environmental, and social sustainability performance transformation through ESG disclosure. *Sustainability*, 12(9), 3910.
- Bhole, N. (2020). Analysis of business model failure of engineering companies and tools to avoid it.
- Freudenreich, B., Lüdeke-Freund, F., & Schaltegger, S. (2020). A stakeholder theory perspective on business models: Value creation for sustainability. *Journal of Business Ethics*, 166, 3-18.
- Han, J. (2021). How Does Tesla Motors Achieve Competitive Advantage in the Global Automobile Industry? *Journal of Next-generation Convergence Information Services Technology Vol*, 10(5), 573-582.
- Hristov, I., & Chirico, A. (2019). The role of sustainability key performance indicators (KPIs) in implementing sustainable strategies. *Sustainability*, 11(20), 5742.
- Lawler, E. I., II, & Worley, C. G. (2011). Management reset. *Leadership Excellence*, 28(9), 4–5. <https://coloradotech.idm.oclc.org/login?url=https://www-proquest-com.coloradotech.idm.oclc.org/trade-journals/management-reset/docview/893750901/se-2?accountid=144789>



Lichtenthaler, U. (2021). Explicating a sustainability-based view of sustainable competitive advantage. *Journal of strategy and management*, 15(1), 76-95.