Assessing and Benchmarking Sustainability in Organisations
An Integrated Conceptual Model

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ABSTRACT

This article proposes an integrated conceptual model for assessing and benchmarking sustainability initiatives in organisations. Recent relevant published literature in the business sustainability assessments and benchmarking related domain has been surveyed and documented. Business sustainability is being conceptualised using two approaches, namely abstractive decomposition and typology. The conceptualisations derived from both of these approaches have been integrated to construct a new conceptual model for the theorizing of business sustainability from a holistic perspective. A text visualisation of the sustainability reports of ten large-scale software development firms have been done to look at the density of sustainability concepts in practice-based documentations, such as company reports. The conceptualisations derived through both the abstractive decomposition and the typology have been validated using the secondary data aggregation done from the analysis of reports. The article concludes with a summary highlighting the key aspects of the chapter.

KEYWORDS

Assessment, Benchmarking, Business Sustainability Assessment, Organizations, Sustainability

1. INTRODUCTION

Sustainability is a well-used and popular term, but its use lacks in clarity. There are a number of terms, such as sustainable development and triple bottom line, which are interchangeably used with the term ‘sustainability’ (McKenzie, 2004). At the business level, sustainability is often equated with eco-efficiency (Dyllick & Hockerts, 2002). Documented research exists on the review of sustainability terms and their definitions (Glavič & Lukman, 2007). These authors give prominence to terms like cleaner production, pollution prevention, pollution control, minimization of resource usage, eco-design and other similar terms. However, there is a considerable gap in the research literature in terms of defining business sustainability with a holistic view. Being a branch of the Sustainability discipline, business sustainability has quite a number of perspectives and angles that have been researched. Investigations of the business sustainability concept include consumer behaviour, climate change, stakeholder management, innovation and strategy. In the context of consumer behaviour and sustainability, there are studies on measuring the gaps between customers’ expectations and their perceptions on green products (Tseng & Hung, 2013); investigation of factors influencing the sustainable consumption behaviours of rural residents (Wang, Liu, & Qi, 2014); the role of moral leadership for sustainable production and consumption (Vinkhuyzen & Karlsson-Vinkhuyzen, 2014); survey and analysis of consumer behaviour on waste mobile phone recycling (Yin, Gao, & Xu, 2014) and the empirical investigation of green purchase behaviour among the younger generation (Kanchanapibul, Lacka,
Wang, & Chan, 2014). Definition of climate strategies for business (Pesonen & Horn, 2014) and the influence of stakeholders’ power and corporate characteristics and social and environmental disclosure (Lu & Abeysekera, 2014) are studies that document the relation of climate change and sustainability. The climate change related studies take more of an environmental sustainability angle when looking at sustainability. In terms of innovation, the link between eco-innovation and business performance (Cheng, Yang, & Sheu, 2014) and sustainability oriented innovation in small and medium enterprises (Klewitz & Hansen, 2014) are some notable studies that have been recently published. These studies look at the economic dimension of sustainability in the context of small and medium businesses. From a management perspective, there are studies on, for example, keeping track of corporate social responsibility as a business and management discipline with particular reference to Pakistan (Memon, Wei, Robson, & Khattak, 2014); a study related to the strategic niche management of cleaner vehicle technologies from prototype to series production (Sushandoyo & Magnusson, 2014); and the critical importance of strategic competencies for sustainable development (Mulder, 2014). The management related studies have been primarily focused on the strategic and sustainable development angles of the subject. However, there is still a lack of research in terms of integrating these disciplinary perspectives in sustainability related research.

The significance of this research project is twofold. Firstly, the research has a significant scientific contribution to the body of literature in terms of setting up a research focus for assessing and benchmarking sustainability in organisations through the lens of a multidisciplinary research approach. This will include building up and validating industry specific mini frameworks on business sustainability with the aid of a combined approach of both qualitative and quantitative research methods. Secondly, the research aims to make a socioeconomic contribution through reducing the adverse impacts of sustainability problems. For example, the application of these frameworks could result in increased productivity and enhanced employee satisfaction. Another example could be the facilitation of effective decision making of the managers on sustainability concerns. In addition to this, the frameworks will add value to the existing pool of literature by providing a more comprehensive view of assessing and benchmarking the sustainability of businesses. Alongside, the framework dimensions such as strategy, management, supply chain, production, operation, stakeholder, value, organizational structure, strategy, success mechanism and management are of paramount considerations during theory formation based on data analysis.

2. ASSESSMENT AND BENCHMARKING - A BRIEF SURVEY

Assessment and benchmarking are two synonymous terms that have been used in the practice of business sustainability. Assessment is key to measuring or making judgement about the sustainability initiatives. Benchmarking is crucial for validating the practices on par with the expected standards. In a broader sense, assessment literature deals with criteria for assessment such as sustainability indices while the benchmarking literature deals with benchmarking tools such as frameworks.

A framework is defined as a set of conceptual elements organised in a way, the reader could get a more structured understanding of the phenomenon. This paragraph analyses the business sustainability frameworks from differing domains. Business sustainability in a manufacturing environment is a paramount concern for businesses. The sustainability of chair manufacturing organisations in Norway has been explored in a study (Høgevold & Svensson, 2012). The authors have applied a case study approach to investigate the efforts of business sustainability in the demand and supply chain networks of a Norwegian office chair producer. The study indicates that business sustainability is a manyfold concept in which has much more to offer than just simple efforts which aims to protect the
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