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BUSINESS AND SUSTAINABLE DEVELOPMENT SUSTAINABILITY PERFORMANCE MEASUREMENT (SPM) – AN INDICATOR IN ASSESSING BUSINESS PERFORMANCE

Ms. K. Karpagambigai[1] and Dr. R. Poornimarani[2]
[1]Ph.D Research scholar, Department of commerce, Mother Teresa Women's University, kodaikanal.
[2]Research supervisor and Assistant professor, Department of Commerce, Mother Teresa Women's University, kodaikanal.

ABSTRACT:

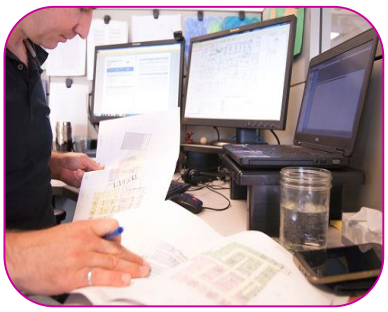
Achieving business sustainability is not a quick process. The successful firms of the future will be highly sustainable. This paper aims to analyze and discuss the integration of sustainability efficiency and the challenges of accomplishing long-run sustainable business performance, and the link between the firm and the community in which it performs. The purpose of this article is to gain a deeper understanding of the sustainability performance indicators which helps in measuring business growth and development. The objective of a sustainable performance measurement is to assess corporate contribution to sustainability. Triple Bottom Line (TBL) is an accounting standard accepted by the United Nations that measures three aspects of organizational success: economic, ecological, and social. This is often rephrased "profit, planet, people". Supportability execution pointers (SPIs) are utilized to gauge an organization's execution and to screen and give an account of future advancement. The paper produces bits of knowledge about the development of supportability measurements, the determinants, dangers, and chances involved in doing the change to manageability.

This paper, therefore, proposes an approach to manage and measure the implementation of sustainability strategies of an organization. It aims to increase the understanding of sustainability performance framework which could be used as a potential inclusive tool that strives to improve overall organizational performance.

KEYWORDS: *Sustainability Performance Measurement (SPM), Ecological, Economical Triple bottom line, SPI-sustainability performance indicator.*

INTRODUCTION

Business sustainability is a strategy that prioritizes the long term survival of a business and connected ecological, social and cultural systems. Business manageability is regularly characterized as dealing with the triple main concern - a procedure by which organizations deal with their monetary, social and natural dangers, commitments and openings. These three effects are once in a while alluded to as benefits, individuals and planet.



Maintainability accordingly portrays a state of human welfare in which no overabundance abuse happens and which uses nature on a persistent premise and abstains from making irreversible harm nature. The point is along these lines to hand down to future ages a flawless biological, social and financial capital that spots break even with accentuation on rationing the common reason forever, keeping up social solidarity and guaranteeing monetary execution. Today this vision is an immovably settled segment of governmental issues, society

and financial aspects. Attributable to the social combination of organizations and their focal natural and financial significance, this worldwide vision is of pertinence to administration too.

LITERATURE REVIEW:

As stated by Henri and Journeault, organizations are increasingly being held responsible for environmental actions, as reflected by the growing number of laws, regulations, and penalties in this area. Consequently, organizations are now obliged to measure, control, and disclose their environmental performance.

As stated by Schaltegger and Wagner: "Management of sustainability performance in all of its perspectives and facets requires a sound management framework which, on the one hand, links environmental and social management with the business and competitive strategy and management and, on the other hand, integrates environmental and social information with economic business information.

OBJECTIVES OF THE STUDY:

- To know about the significance of sustainability performance measurement process.
- To analyze the sustainability challenges and the performance evaluation of economic, environmental, and societal aspects around the corporate sectors.
- To understand the importance of sustainability performance indicators in providing guidance to managers and decision makers in an organization.
- To identify the sustainability measurement program of TIDC and their successful existence among the competitive environment.

METHODOLOGY:

The present work entitled " Sustainability performance measurement –an indicator in assessing business performance" is based on secondary data. The study is based on the survey method adopted in order to explore and analyze the effectiveness of sustainability strategies in an organization. The collection of data adopted in TIDC limited to perceive the nature of sustainability performance measurement in the organization. The data collected for the study were processed and analyzed by interpreting effective results. The purpose of this work is to examine the sustainability practices, in particular within the context of performance measurement framework, as a way to integrate sustainability principles into business practices.

TUBE INVESTMENTS DIAMOND CHAINS INDIA LIMITED (TIDC)

TI Diamond Chains is simply known as TIDC India. It is established as joint venture between Tube Investments of India Limited & Diamond Chain Company in USA. Now Tube Investments of India Limited merged it with as a division called TIDC India. TIDC India incorporated in 1960 act as a leading chain manufacturer in segments such as Industrial, Automotive and Fine Blanking. TIDC has plants at Chennai, Hyderabad and Uttranchal. TIDC India has received the "Commendation Certificate for Strong Commitment to Excel". This commendation was from the CII- Exim Bank Award Committee and is a reflection of the strong passion and commitment present at all levels in the organization

SUSTAINABILITY PERFORMANCE MEASUREMENT (SPM) PROCESS

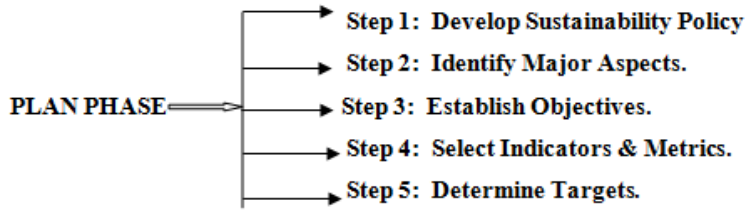
Sustainability performance measurement should be viewed as an ongoing business process- a set of logically related tasks or activities undertaken to achieve a defined business outcome. By understanding the whole execution estimation process, specialists can distinguish and utilize the pointers and measurements that are most suitable for their business.

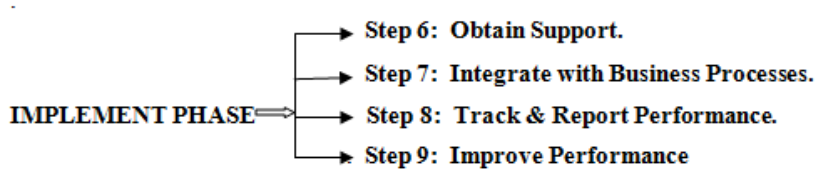
The weights of populace development, financial improvement, and asset shortage will in the long run urge all organizations to address maintainability issues. In addition, we contend that accomplishment of worldwide supportable advancement will require the development of organizations that routinely look for upper hand through synchronous estimation and change of ecological, financial and social execution

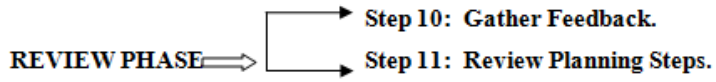
A variety of performance measurement processes have evolved in industry practice. These system for the most part include a development of steps that can be aggregated into three stages:

Plan stage
Implement stage
Review stage

The general model is all inclusive, the genuine sequencing and execution of these means will change from organization to organization because of their varying business techniques, natural effects, and authoritative structures.



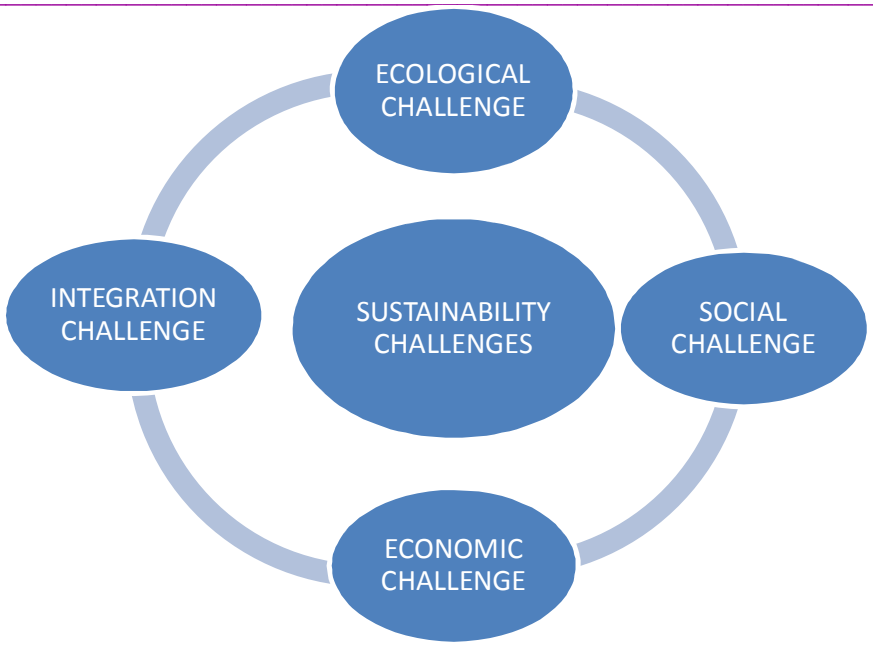




SUSTAINABILITY CHALLENGES:

The vision of sustainable development embraces three dimensions – economic, ecological and social aspects – and seeks to integrate them. In the previous ten years this vision has become progressively imperative, and in the meantime its status has developed from a hypothetical, conceptual undertaking to an undeniably substantial and solid errand.

Corporate sustainable development and successful mastery of its four challenges not only open up opportunities for business enterprises, e.g. through new markets, improved employee motivation, increased marketing opportunities, image enhancement and cost reductions in production, but also serve as elements in a comprehensive risk prevention system



THE ECOLOGICAL SUSTAINABILITY CHALLENGE:

All human activities influence the ecosystem, and this also includes economic activities. The focal natural issues incorporate the nursery impact, the demolition of the ozone layer, fermentation and over treatment of soil and water, declining biodiversity, photochemical brown haze, toxicological weights unsafe to people and the earth and so on.

The unnecessary in general ecological weights consequently defies organizations with the test of making generous decreases in the total size of the natural effects of their generation forms, items, administrations, speculations and so forth. Much of the time it isn't conceivable to maintain a strategic distance from natural weights completely. Notwithstanding, every exertion must be made to limit them beyond what many would consider possible given the current system conditions.

ECOLOGICAL EFFECTIVENESS:

The rule for evaluating how effectively a business undertaking addresses the natural difficulty is biological adequacy. Natural adequacy estimates the level of total ecological soundness, at the end of the day the degree to which the focused on goal of limiting ecological effects has been accomplished. In this way business ventures and their yield can't generally be naturally compelling except if their accomplishments are in accordance with what society sees to be ecologically solid.

ECONOMIC SUSTAINABILITY CHALLENGE:

The traditional economic challenge consists in raising shareholder value and increasing the profitability of products and services, the economic sustainability challenge is concerned with making environmental management and social management as economic as possible. Since benefit situated

undertakings working in an aggressive setting are set up and run essentially for financial purposes, natural insurance and social duty in business endeavors are constantly gone up against with the test of expanding investor esteem, making a commitment to gainfulness or if nothing else limiting expenses.

ECONOMIC EFFECTIVENESS:

The financial translation of proficiency depends on fiscal execution information and is communicated in benefit markers. With regards to the objective of reasonable improvement, be that as it may, there is a need to enhance this translation with biological and social perspectives. Two sorts of proficiency are of extraordinary significance with regards to practical advancement:

- Eco-productivity (financial biological effectiveness)
- Social productivity (financial social effectiveness)

Eco-productivity is characterized as the proportion of a financial (fiscal) to a physical (environmental) measure. E2-effectiveness" is normally utilized as a contracted form of "monetary biological proficiency". The financial amount shows up in the proportion as "esteem included" while the environmental amount shows up as "affect included". Effect added is identical to the whole of every single ecological weight created straightforwardly or in a roundabout way by an item or action.

Thus eco-efficiency is defined as the ratio of value added to ecological impact added.

Social proficiency can be characterized as the proportion of significant worth added to social effect included, where social effect included speaks to the total of all negative social effects beginning from an item, process or movement.

THE SOCIAL SUSTAINABILITY CHALLENGE:

Business enterprises are set in a social context. They are upheld and affected by an expansive number of partners. Administration has for quite some time been looked with the social assignment of overseeing individuals and sorting out exercises. In any case, this does not imply that each business can naturally be viewed as socially stable or evenhanded. The social test to administration comprises in guaranteeing the presence and achievement of the endeavor while in the meantime assessing the assorted variety of social, social and individual social requests. This makes it conceivable to protect the social acknowledgment of the undertaking and the legitimating of its business exercises. Shielding its legitimation includes assessing an extraordinary assortment of elements, for example, between provincial and between transient correspondence of rights, decency, and execution.

SOCIAL EFFECTIVESS:

An enterprise can be described as socially effective if it has effectively reduced the absolute level of negative social impacts and succeeds in keeping it low, and if it also gives rise to important positive social impacts and benefits. The idea of social adequacy as the level of compelling fulfillment of social concerns should be obviously characterized even today.

THE INTEGRATION CHALLENGE OF CORPORATE SUSTAINABLE DEVELOPMENT:

The three challenges of sustainable management as described above can be met by means of systematic efforts to act in an eco-effective and socially effective and eco-efficient and socially efficient manner. But the real challenge of corporate sustainability management is the integration challenge. This derives from two concerns:

- Combining and simultaneously satisfying the three objectives described above
- Integrating environmental and social management in conventional economic management

EFFECTIVE INTEGRATION:

The starting point for a successful approach to the integration challenge is concepts and instruments that help not only to improve ecological effectiveness and social effectiveness, but also to increase eco-efficiency and social efficiency. Be that as it may, there is likewise a requirement for ways to deal with in general joining of these ideas and instruments in a far reaching maintainability administration dependent on customary, financially situated administration

SUSTAINABILITY PERFORMANCE INDICATORS AND METRICS:

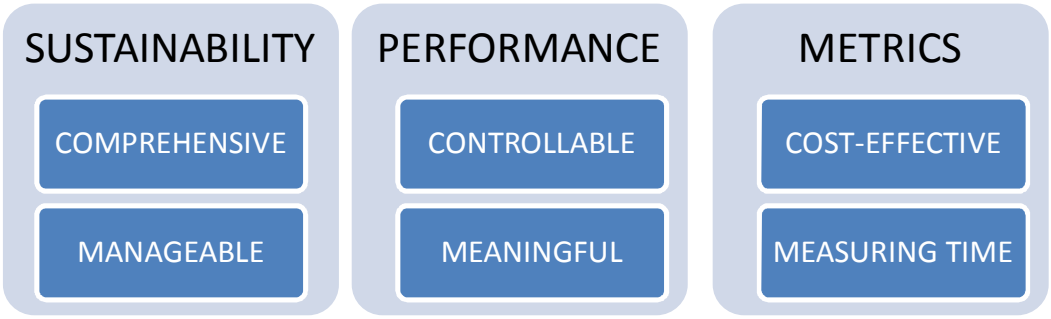
When administrators have settled upon the basic goals, they can continue to choose the execution pointers and going with measurements for their maintainability program. The pointers and measurements help to make the manageability arrangement noteworthy by giving particular direction to chiefs and leaders. A sustainability performance indicator (SPI) is defined as a quantifiable attribute of an enterprise's activities that characterizes the potential contributions of these activities toward the enterprise's sustainability objectives. In SPI it is important to have a balanced set of both leading and lagging indicators.

LAGGING INDICATORS -also referred to as outcome indicators are measures of the results or outcomes that are attributable to improvements in a company's business processes.

LEADING INDICATORS- also referred to as business process indicators which measures internal practices or efforts that are expected to improve future performance. These markers help administrators screen their advancement toward accomplishing their manageability goals.

PERFORMANCE METRICS:

A performance metric defines a specific means of measuring and tracking a performance indicator. In general, a variety of metrics can be chosen for any given performance indicator. A well-performing company might wish to acquire a high-volume business with relatively poor sustainability performance, which would skew the company's overall performance results



SUSTAINABILITY MEASUREMENT PROGRAM OF TIDC:

TIDC India was established in 1960 and today is the undisputed market leader in both the industrial and automotive chains. The company made a foray into Fine Blanking in line with its vision of becoming a prominent global player in power transmission components and is now a major supplier of FB components to the automotive industry. Currently about 35% of our turnover is from exports and this is an indication about our growing global presence.

TIDC India has received the "Commendation Certificate for Strong Commitment to Excel" in 2004. This commendation was from the CII-Exim Bank Award Committee and is a reflection of the strong passion and commitment present at all levels in the organization.

ENVIRONMENT MANAGEMENT SYSTEM:

The fact that an EMS is embodied in the organizational structure and business processes supports a continuous improvement in corporate environmental protection. When in doubt, proof of this is required for the affirmation looked for by the organization. On account of EMS the recommended natural articulation is expected to give intrigued partners the chance of checking this and to build the organization's inspiration to advance environmental streamlining forms inside the organization.

ENVIRONMENT, OCCUPATIONAL HEALTH AND SAFETY POLICY OF TIDC:

The employees of TIDC INDIA commit ourselves to manufacture power transmission products and conveyor systems in a clean, green, safe and healthy environment. We will continuously improve our Safety, Health and Environmental performance through,

- Minimizing air emissions, noise levels in the plant, process effluents and solid wastes related to our activities, products and services.
- Preventing / Minimizing the risk (Resulting in Injury & Ill health) in a proactive way for all our activities.
- Effectively conserving all available resources like water, power, fuel and raw material.
- Striving for utilizing eco-friendly products and processes.
- Complying with all relevant legal and other requirements.
- Establishing, implementing and reviewing the “Integrated Management Systems” and procedures to meet the stated safety, health and environmental objectives and targets.
- Training and motivating to create awareness in all our employees, suppliers and contractors on significant environmental aspects and hazards of our activities, products and services.
- Making this policy known to all interested /concerned parties and making it available upon request to public.

TIDC- MANUFACTURER WITH RARE STRENGTHS:

GUIDANCE POLICY:

The company uses a guideline to set out in writing the essential aspects of a desired state of affairs. Rules portray corporate administration standards and key things for organization exercises without essentially describing an objective circumstance. They characterize an organization's standards of direct and its essential qualities (managing system). Rules and models depict the organization's picture of itself and its internal inspiration including addressing the distinguished corporate difficulties (mission). Correspondence of the corporate standards as rules in report underpins the improvement of a corporate personality, picture building and the inspiration of the organization's representatives.

INCENTIVE SYSTEM:

Incentive systems are business management instruments designed to reduce negative behaviour and increase the motivation of employees to achieve performances in line with the corporate objectives. Incentives are opportunities created to enable employees to increase their personal benefit. Incentive systems exist in every business enterprise and are a fundamental precondition for its proper functioning. Arranged changes to and control of motivation frameworks makes them into administration instruments that can be utilized to accomplish a wide assortment of destinations.

ENVIRONMENTAL AND SOCIAL MARKETING:

Natural and social showcasing can enhance monetary capacities by going up against the accompanying errands in TIDC

- Catering to ordinary buyer wishes in an environmentally and socially compelling and naturally and socially more effective way
- Fulfilling nature and condition arranged and social buyer wishes
- Encouraging individuals to think about their necessities
- Promoting supportable buyer and transfer conduct

QUALITY CIRCLES:

The quality circle (QC) starting from the idea of TQM - Total Quality Management exemplifies a model for enhancing the nature of work results and cultivating further preparing of representatives through examining in gatherings.

Quality circles are customary discourse gatherings of approximately five to ten representatives from the lower level of the progression who originate from a similar work division. The exchange bunches are a lasting organization and regularly occur amid working hours. They talk about issues from the work division being referred to and draw up recommendations for arrangements. On the off chance that fundamental, the quality circles are bolstered by authorities. The gatherings are led by an exceptionally prepared worker, e.g. a line foreman. Usage and control of proposed arrangements might be embraced by the individuals from the quality circle. The aftereffects of the quality circle might be incorporated into the Suggestion Scheme.

Quality circles are utilized in medium and substantial endeavors specifically, where gatherings of the size portrayed are accessible inside a work part. Precedents of other gathering focused instruments that may likewise be utilized inside the organization incorporate future workshops.

Quality systems for a High performance chain of TIDC: Beginning with the design phase, purchase and inspection of raw materials, vendor management, work instructions and going on to cover all processes in manufacturing, packing and inspection before delivery.

TIDC follow stringent procedures when it comes to traceability of products and reviews of customer feedback. No wonder chains go on world class equipments such as harvester Combines, Balers, Skid steers, Marine travel lifts, Fork Lifts, Tele Boomers, Pavers, Motor Graders.

RESEARCH AND DEVELOPMENT:

TIDC India engineers use Auto CAD, Solid works and Finite Element Analysis for cutting edge solutions in the design of the chains, and the manufacturing technology process is plotted out with equal care. The resulting products are comprehensively tested at our test labs, before they eventually find their way to a customer.

FINDINGS AND CONCLUSION:

This exploration makes applied and methodological commitments to the significance of supportable advancement to private segment companies, the connection between ecological administration and corporate execution, and the fundamental determinants of corporate devotion to manageable development. Investigation of their arrangements, goals, execution markers, and targets gives various bits of knowledge about how the previously mentioned difficulties can be tended to. It is our expectation that the methodology and best practices exhibited here will assist different organizations with developing and enhance their SPM works on, empowering a more fast and across the board progress towards economical items and procedures.

The weights of populace development, financial improvement, and asset shortage will in the long run propel all organizations to address maintainability issues. Besides, the accomplishment of worldwide practical advancement will require the development of organizations that routinely look for upper hand through synchronous estimation and change of ecological, monetary and social execution. The consequences of the momentum contemplate unite with earlier research on the association among manageability and corporate money related task, social and ecological highlights of maintainability, and the idea of reasonable execution. These discoveries feature the significance of inspecting the impact of earth reasonable tasks on firm execution and the person as a urgent power in authoritative change. The investigation supplements the developing writing on the diverse character of practical advancement, the ecological working of associations, and obligation as a basic component and determinant of administrative execution.

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